

DRAFT ENVIRONMENTAL IMPACT REPORT

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FOR THE
MENLO PARK/EAST PALO ALTO
AND DISTRICTS
SPHERE OF INFLUENCE STUDY

AUGUST 1980

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DRAFT ENVIRONMENTAL IMPACT REPORT

FOR THE
MENLO PARK/EAST PALO ALTO
AND DISTRICTS
SPHERE OF INFLUENCE STUDY


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FOR THE MENLO PARK/EAST PALO ALTO
AND DISTRICTS
SPHERE OF INFLUENCE STUDY

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1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 FOCUSED EIR

An amendment to the California Environmental Quality Act of 1970 (CEQA) and the Guidelines for Implementation of CEQA, dated September 30, 1978, states that "The EIR (Environmental Impact Report) should discuss environmental effects in proportion to their severity and probability of occurrence." CEQA states, also, that effects that are "clearly insignificant and unlikely to occur" do not need to be discussed in the EIR. This is what is meant by the phrase "focused EIR" - an EIR should focus on the major and significant impacts. This is a focused EIR.

1.2 OVERVIEW OF THE REPORT

An environmental assessment meeting was conducted on March 3, 1980 for purposes of Initial Study. The results are shown in the Environmental Evaluation Checklist in Appendix A. It was determined by the Executive Officer of the San Mateo Local Agency Formation Commission (LAFCo) that the Sphere of Influence Study for the Menlo Park/East Palo Alto, East Palo Alto Sanitary District, Menlo Park Sanitary District, Menlo Park Fire Protection District, County Service Area #5, Ravenswood Recreation and Park District, and the East Palo Alto County Waterworks District may have a significant effect on the environment. Therefore, an Environmental Impact Report would be required.

This EIR focuses on the significant environmental impacts and local government fiscal impacts of several alternative organization structures for the unincorporated East Palo Alto area. The East Palo Alto area and its proximity to the region is shown on the map on page 3. This EIR further focuses on the potential impact of each alternative on the surrounding cities of Menlo Park and Palo Alto and each of the special districts serving the area. The four alternatives considered in the EIR are as follows:

- 1) Status Quo
- 2) Incorporation of East Palo Alto
- 3) Annexation of all or part to Menlo Park
- 4) Annexation of all or part to Palo Alto

This EIR evaluates the potential consequences of each one of the above alternatives. It identifies the environmental impacts of each alternative with regards to the study area and area residents. It describes the possible benefits and detriments of each alternative within a governmental, municipal service, environmental, social, economic, and geographic framework. It establishes the relationship between the achievement of short-term and long-term environmental goals. It proposes mitigation measures to minimize the significant effects of the project. It identifies significant unavoidable adverse impacts associated with the project, the adoption of a sphere of influence designation for the study area, and the implementation of the recommendation contained therein.

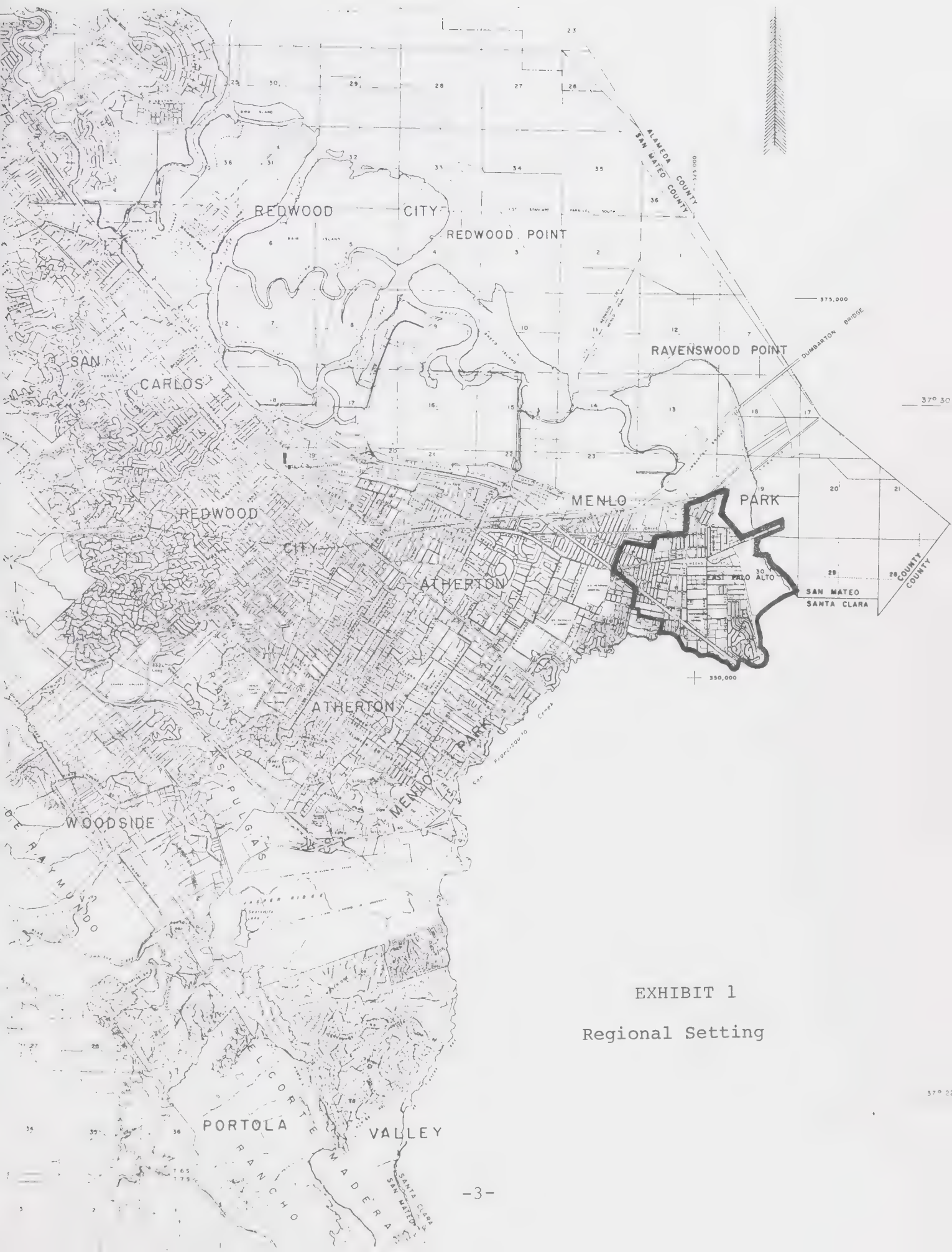


EXHIBIT 1
Regional Setting

The EIR evaluates the fiscal impact of each alternative or affected governmental agencies. The effects of Proposition 13, Proposition 4, and Assembly Bill 8 are identified and discussed where appropriate. Whenever possible in this EIR, data and analysis are utilized from the "East Palo Alto Fiscal Analysis" prepared for the Association of Bay Area Governments (ABAG) in cooperation with the County of San Mateo and the East Palo Alto Municipal Council by Angus-McDonald and Associates, Inc. in association with John Warren and Associates, (hereinafter referred to as the Fiscal Analysis). The entire Fiscal Analysis is hereby incorporated by reference in the EIR.

LAFCo staff, in preparing the EIR, recognizes that the County of San Mateo Planning Division is in the process of preparing an East Palo Alto Community Plan and related Environmental Impact Report. Both are scheduled for completion in late 1980, although recent delays make this deadline seem tentative. Nonetheless, whenever possible, so as to eliminate duplication, LAFCo staff will utilize data generated for the East Palo Alto Community Plan and EIR. Furthermore, it should be noted that any data gathered or analysis performed by LAFCo staff in completing this EIR will be available at all times to the County's Planning staff.

Staff further recognizes that the East Palo Alto Community Plan, when complete, will provide the basis for future planning decisions for the area under any of the alternatives considered in the Sphere of Influence Study. The East Palo Alto area is mostly urbanized and, as such, equivalent levels of service would be required under each alternative. Land use policies will vary

little from those set forth in the Community Plan, whichever sphere of influence is adopted by LAFCo. The Plan, after review and acceptance by the local community, should guide the physical development of East Palo Alto, regardless of the governmental structure that is eventually decided upon by LAFCo and the community.

1.3 THE SPHERE OF INFLUENCE PROGRAM

In January 1975, the California Supreme Court, in adjudicating the "Bozung Case" involving a proposed annexation in Ventura County, held that LAFCOs are subject to the terms of the 1970 California Environmental Quality Act (CEQA).

The Knox-Nisbet Act (Government Code Section 54774) includes the following: "Among the purposes of a Local Agency Formation Commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances. One of the objects of the Local Agency Formation Commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governmental agencies so as to advantageously provide for the present and future needs of each county and its communities." ...

"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advanta-

geously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county. As used in this study, 'sphere of influence' means a plan for the probable ultimate physical boundaries and service area of a local governmental agency. Among the factors considered in determining the sphere of influence of each local governmental agency, the Commission shall consider:

- "a. The maximum possible service area of the agency based upon present and possible service capabilities of the agency.
- "b. The range of services the agency is providing or could provide.
- "c. The projected future growth of the area.
- "d. The type of development occurring or planned for the area, including, but not limited to, residential, commercial, and industrial development.
- "e. The present and probable future service needs of the area.
- "f. Local governmental agencies presently providing services to such area and the present level, range and adequacy of services provided by such existing local governmental agencies.
- "g. The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agency's sphere of influence.
- "h. The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence

and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of influence of a local governmental agency."

A copy of the Commission's adopted "General Policies and Criteria For the Development and Determination of Spheres of Influence" are included in this report as Appendix B. These policies and criteria will provide the basis for assigning a sphere of influence to the area under study.

1.4 LIMITS OF THIS EIR

When considering the logical range of possible options for assigning a sphere of influence to the unincorporated area under study, one obvious alternative that cannot be overlooked is Annexation of all or part to Palo Alto. However, it should be noted that San Mateo LAFCo has no legal authority to make such an assignment. The Knox-Nisbet Act, Government Code Section 54780, created a LAFCo in each county in California, except the City and County of San Francisco. However, each LAFCo's jurisdiction, is limited to areas within that County boundary.

If San Mateo LAFCo decides that annexation of all or part of East Palo Alto to Palo Alto is the appropriate assignment, it would be necessary to change the San Mateo and Santa Clara County boundary line. This procedure is explained in Appendix C. Santa Clara LAFCo would then consider the assignment of East

Palo Alto to Palo Alto's sphere of influence and take subsequent action. The action taken by San Mateo LAFCo is purely advisory and Santa Clara LAFCo may or may not implement this recommendation. However, if this alternative is the one adopted by San Mateo LAFCo, the Commission could request a joint study with Santa Clara LAFCo.

1.5 EXECUTIVE SUMMARY

The assignment of a sphere of influence to the East Palo Alto community has been given high priority by the members of the San Mateo Local Agency Formation Commission. East Palo Alto is an unincorporated area of approximately 2.6 square miles located in the southeast corner of San Mateo County between Menlo Park and Palo Alto. Since 1967, East Palo Alto has been represented by a Municipal Advisory Council. The community receives public services from a variety of special districts and various departments of the San Mateo County government.

This EIR is required under the provisions of CEQA for the proposed project: A Sphere of Influence Study for Menlo Park/East Palo Alto and affected Districts. The sphere of influence will consider four alternative forms of organization for East Palo Alto. These are as follows:

- 1) Status Quo
- 2) Incorporation of East Palo Alto
- 3) Annexation of all or part to Menlo Park
- 4) Annexation of all or part to Palo Alto

The significant environmental impacts that would be affected under each of the four alternative forms of organization to be considered in the sphere of influence study are summarized in the following several pages. Whenever possible, mitigation measures have been included also.

1) Status Quo

Under this organizational alternative the population of East Palo Alto will continue to be isolated from neighboring communities. The already "tight" new, used and rental housing market will continue, unless housing rehabilitation and new housing are encouraged. Transportation and circulation problems will also continue and probable Dumbarton Bridge connections may further divide the community.

Under this alternative from a public service standpoint the eight special districts and the County of San Mateo would continue to provide services. In most cases an adequate level of service would be provided; however, a continued high crime rate and high rate of fires and medical emergencies would serve to offset higher service levels. A possible mitigation measure is the possibility of contracting with neighboring jurisdictions for certain specific services. Capital improvements would still be needed in the areas of roads, water lines and sewer lines.

A review of existing costs and revenues for public services to East Palo Alto reveals a deficit of approximately \$886,000 per year.

This deficit can be expected to increase. The clearest case of a revenue subsidy was for police services. Again, possible economies might be found by contracting with neighboring jurisdictions.

The aesthetics of East Palo Alto would be changed under this alternative and recreation service would probably continue to be substandard, unless an alternative service provider can be found. The alternative could have a short-term advantage because problems in East Palo Alto could continue to be ignored; however, this would be to the definite disadvantage of long-term environmental goals.

2) Incorporation

Under this organizational alternative, incorporation of East Palo Alto will be considered assuming three boundary alternatives: 1) County Service Area #5; 2) Detachment of south of Willow Road and subsequent annexation to the new city of East Palo Alto; and 3) Incorporation of East Palo Alto without the West of Bayshore Freeway area.

The impact on demographic characteristics of East Palo Alto's population would be severe if incorporation were to occur under any of the three boundary alternatives. To enhance its tax base, the incorporated community would probably favor commercial and industrial development over residential, thereby doing little to

relieve the "tight" housing market and the serious jobs/housing imbalance in the Mid-Peninsula. Transportation and circulation problems would continue and probable Dumbarton Bridge connections could cause serious traffic related problems in East Palo Alto.

The Fiscal Analysis provides the basis for two types of city. The Alternative A city provides a minimum level of service where only legally required services are provided and most of the special districts would remain in existence. The Alternative B city would be responsible for a broader range of services. Under the Alternative A city, significant impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services
- o Streets

Under the Alternative B city, significant impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services
- o Sanitary Sewers
- o Water supply
- o Drainage
- o Local Parks and Recreation
- o Garbage Collection
- o Street Lighting

Various mitigation measures are suggested to minimize the significant impact of incorporation on these public services.

A comparison of the estimated annual cost of providing public services to East Palo Alto under the Alternative A and Alternative B cities, and the existing situation reveals that no substantial cost savings can be achieved through incorporation. In fact, Alternative A might be somewhat more costly than the present situation. A key conclusion of the revenue projections contained in the Fiscal Analysis was that East Palo Alto, under either incorporation alternative, could expect an increase in its revenue base over the projected five year period, 1980 through 1985. However, a substantial revenue short-fall is indicated under either alternative. In addition, revenue projections include new special taxes which would require voter approval, without which the projected deficits would generally double. Mitigation measures include lower service levels and an overall enhancement of the tax base in the community.

The fiscal impact of incorporation without the West of Bayshore Freeway area is significant. Fully 22 percent of total revenue, 40 percent of sales tax revenue and 30 percent of property tax revenue from East Palo Alto is generated from this area. Incorporation without these revenues would be considerably less feasible.

The impact on the aesthetics of the East Palo Alto community under this alternative would also be significant because of a significant reduction in revenues and increased subsidies. The impact on

recreation services under the Alternative B city could only be a beneficial one.

The revenue short-fall shows incorporation to be infeasible at present. Therefore, although incorporation has limited short-term benefits, it has the potential to cause substantial adverse effects on human beings.

3) Annexation of All or Part of Menlo Park

Under this organizational alternative if only the West of Bayshore Freeway area were annexed to Menlo Park the impact on the remaining area would be significant. The East of Bayshore Freeway area has demographic characteristics that would become even more atypical if only the West of Bayshore were annexed to Menlo Park. Menlo Park, on the other hand, could achieve greater economies of scale by adding population.

Annexation of East Palo Alto to Menlo Park could serve to help relieve the jobs/housing imbalance in the Mid-Peninsula. Transportation and circulation problems could benefit from a more coordinated approach by Menlo Park.

Under this organizational alternative significant impacts on public services would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services

- o Sanitary Sewers
- o Water Supply
- o Local Parks and Recreation
- o Garbage Collection
- o Street Lighting

Various mitigation measures are suggested to minimize the significant impact of annexation to Menlo Park on these public services.

The fiscal feasibility of Menlo Park annexing East Palo Alto depends entirely on the economies of scale that the larger city might achieve. Menlo Park has a relatively healthy and adequate tax base, supported by high property values and a high level of retail sales. Although the new City of Menlo Park's per capita revenue would decline, because of economies of scale East Palo Alto should produce adequate revenue to cover additional service costs to Menlo Park.

The aesthetics of the East Palo Alto community could benefit from the attention of a mature and experienced city. In addition, Menlo Park's recreation program is a good one and could be extended to East Palo Alto to adequately serve community needs. Short-term advantages would be achieved, but not at the expense of long-term environmental goals.

4) Annexation of All or Part to Palo Alto

Under this organizational alternative the impact on population characteristics would be significant. As is the case with annexation to Menlo Park, annexation to Palo Alto could serve to help relieve the severe jobs/housing imbalance in the Mid-Peninsula. Also, circulation and transportation problems in the area could benefit from a more coordinated approach by Palo Alto.

Under this organizational alternative significant impacts on public services would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services
- o Streets
- o Sanitary Sewers
- o Water Supply
- o Drainage
- o Fire Protection
- o Local Parks and Recreation
- o Library
- o Animal Control
- o Garbage Collection
- o Street Lighting
- o Civil Defense
- o Emergency Medical Services
- o Public Utilities

Various mitigation measures are suggested to minimize the significant impacts of annexation to Palo Alto on these public services. The County of Santa Clara would also be impacted by having to extend certain services, now provided by San Mateo County.

Again, the fiscal feasibility of Palo Alto annexing East Palo Alto depends on the economies of scale that the larger city might achieve. Palo Alto has a healthy and adequate tax base. If East Palo Alto were annexed to Palo Alto, per capita revenues would decrease and per capita expenditures would increase. However, a substantial per capita cost savings could be realized in at least one important area, police services.

There would be a significant impact on utilities if this organizational alternative were recommended by staff in the sphere of influence study and adopted by the Formation Commission. This is because Palo Alto operates its own gas and electric utility and sells to consumers at a lower rate than PG & E.

The aesthetics of the East Palo Alto community could benefit from the attention of a mature and experienced city, such as Palo Alto. In addition, Palo Alto's recreation program is active and progressive and could be extended to East Palo Alto to adequately serve community needs. If annexation to Palo Alto is recommended and approved, short-term advantages would be achieved, but not at the expense of long-term environmental goals.

2. DESCRIPTION OF THE PROJECT

The "project" under consideration is a sphere of influence study to be performed by the staff of the San Mateo Local Agency Formation Commission for Menlo Park/East Palo Alto and affected districts. The primary consideration in the sphere of influence study is the assignment of an unincorporated area between Menlo Park, Palo Alto and the San Francisco Bay known as East Palo Alto. East Palo Alto has been assigned to a "holding sphere of influence" by LAFCo. A map of the East Palo Alto area appears on the next page. The sphere of influence report will recommend a form of government for the East Palo Alto area selected from four primary alternatives identified in Section I.

LAFCo staff recognizes that there are other unincorporated areas within the community of interest of the project. These areas include University Heights, Menlo Oaks, the "Hill", and the Stanford Lands south of Menlo Park. However, assignment of these unincorporated areas to a sphere of influence does not, in staff's opinion, represent a significant impact on the environment. Assignment of these areas would most probably qualify for a Negative Declaration. A separate environment assessment of these areas will be made before a sphere of influence is adopted by the Commission.

2.1 LOCATION AND BOUNDARIES

The sphere of influence study will consider the following areas for assignment: The existing corporate boundaries of the City

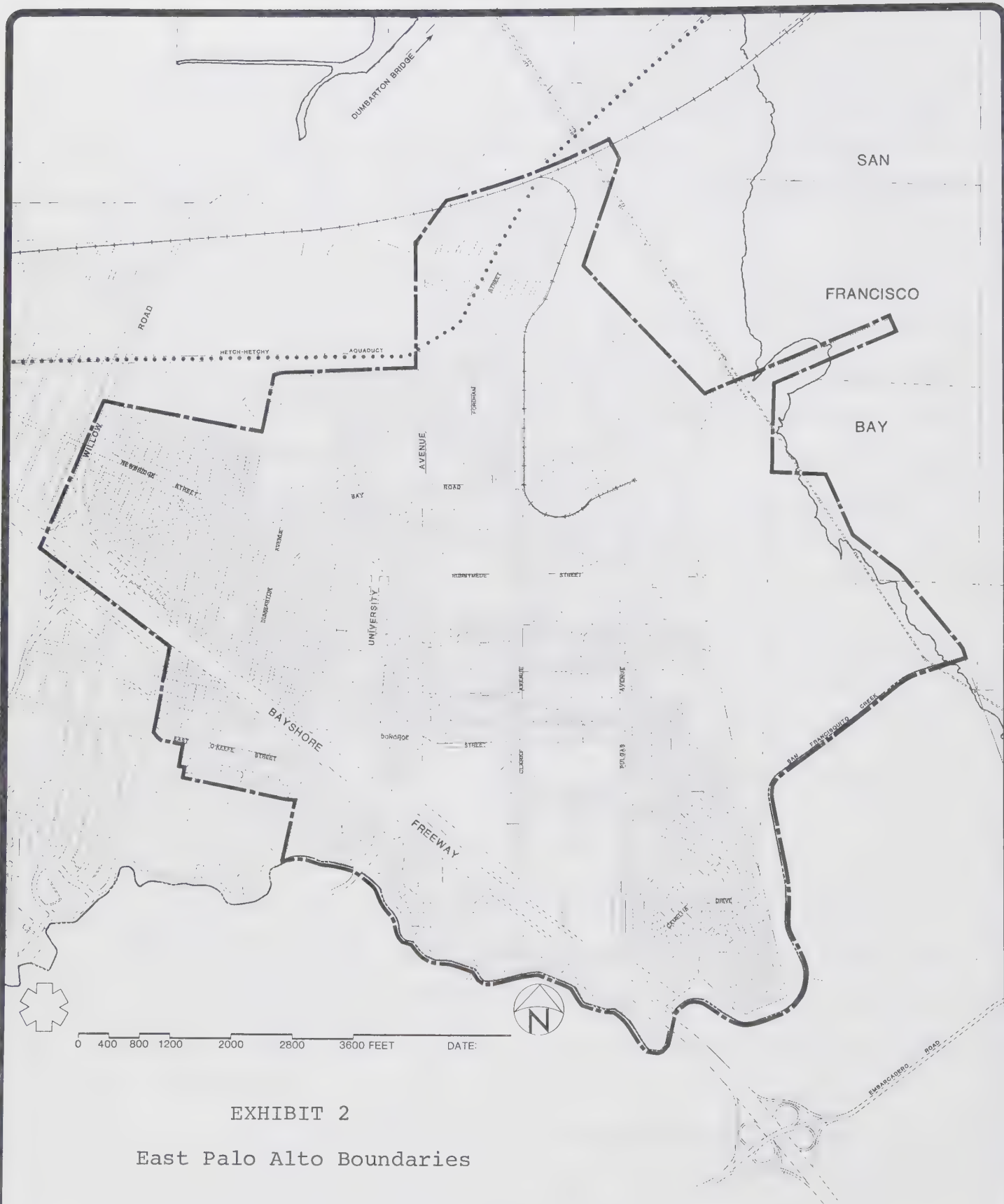


EXHIBIT 2

East Palo Alto Boundaries

of Menlo Park and those unincorporated islands and other areas contiguous to Menlo Park including University Heights, Stanford Lands, the unincorporated East Palo Alto area, the boundaries of which are generally defined as being coterminous with County Service Area No. 5, and the boundaries of the special districts listed in Section I, as they overlap the study area.

2.2 HISTORY AND GENERAL DESCRIPTION

East Palo Alto is a multi-racial, low income suburban community located in the southeast corner of San Mateo County. The name of "East Palo Alto" was decided upon in a 1925 election as a compromise by the two rival communities of Ravenswood and Runnymede. About 1000 persons lived in the area at that time. In 1933, the 4-lane Bayshore Highway was constructed along the western side of East Palo Alto, but with the low traffic volumes of the time, it did not become a significant barrier until later. The depression and war years retarded further growth in East Palo Alto, but the 50's brought the Palo Alto Gardens and University Village subdivisions. From 2000 persons in 1940 to 8000 in 1950, East Palo Alto reached about 20,000 by 1960. The 1970 census for the area indicated a population of 17,837. Preliminary 1980 Census figures reveal a further decline in population.

The area known as East Palo Alto is coterminous with the boundaries of County Service Area No. 5 (see map page 18), and is the remaining unincorporated area in this portion of San Mateo County following the annexations of Belle Haven (1948) and Kavanaugh Industrial Park (1960) by the City of Menlo Park and the detachment of a portion of Cooley's Landing from Menlo Park (1976).

Control of local government services has long been an issue. During the 1960's, public services were fragmented among numerous special districts and the County of San Mateo. Citizens felt extremely alienated from the political process intended to serve them. Annexations by surrounding cities reduced East Palo Alto's territory, thus reducing opportunities for growth, economic development, and expansion of the tax base.

Based on the recommendation of the LAFCo Executive Officer, the San Mateo County Board of Supervisors authorized the formation of a Municipal Advisory Council (MAC) in East Palo Alto on July 5, 1967. The Council's five members are elected at large with each Council member residing in one of five districts. The intent of the East Palo Alto Municipal Advisory Council is to advise the Board of Supervisors on matters concerning East Palo Alto and give the local citizens a sense of political involvement. This situation was unique in California until the passage of a State law in 1971 that provided for the establishment of MAC's in unincorporated areas (Government Code Section 31010).

East Palo Alto receives municipal services primarily from eight special districts and various departments of the San Mateo County government. The level of service provided by these agencies is generally equivalent to other urban areas in San Mateo County. In some cases, the level of service is higher because of specific problems in East Palo Alto, such as high crime rate, relatively high rate of fires and medical emergencies, and high dog population. Many roads and drainage systems are difficult to maintain and are presently in substandard condition.

2.3 OBJECTIVES OF THE PROJECT

Once established, a sphere of influence shall by definition be a declaration of policy which shall be a primary guide to LAFCo in the determination of any proposal concerning incorporated cities or special districts and territory adjacent thereto. It is the intent of LAFCo to support the viability of local governmental agencies providing essential services. Local agencies should be so constituted and organized as to best provide for the economic and social needs of the county and its communities, efficient governmental services for orderly land use development, and controls required to conserve environmental resources. It is the intent of San Mateo LAFCo that its sphere of influence studies serve as a master plan for the future organization of local government within this metropolitan county.

2.4 TECHNICAL CHARACTERISTICS OF THE PROJECT

It is anticipated that a reorganization proposal or proposals will result from the assignment to a sphere of influence of the East Palo Alto area. Initiation of a reorganization application to implement any of the alternatives discussed in this EIR (except status quo) may be by petition of either registered voters or property owners, or by resolution of application of an affected agency, i.e., city, county or special district.

In the event of written protest subsequent to LAFCo approval of a reorganization (not including incorporation), the proposal may either be approved, denied, or submitted to voter approval. In-

corporation proceedings are always subject to voter approval. Specific procedures to implement the various alternatives discussed in this EIR will be detailed in an appendix to the sphere of influence study.

2.5 ENVIRONMENTAL CHARACTERISTICS OF THE PROJECT AREA

The Menlo Park/East Palo Alto area includes a very sizeable area of bay waters, salt ponds and marshlands. The majority of the area under study is predominantly urbanized and surrounded by other urbanized areas, with the San Francisco Bay to the east. The major vacant areas are currently proposed for industrial uses near the bay. However, the actual land use designations for East Palo Alto will not be decided upon until the Community Plan is adopted late in 1980.

The study area is traversed by the Bayshore Freeway, which divides east and west Menlo Park and east and west East Palo Alto, and east and west Palo Alto. El Camino Real runs approximately north/south through Menlo Park and Palo Alto. The Dumbarton Bridge (Highway 84) enters and exits San Mateo County along Willow Road between Menlo Park and East Palo Alto. Alternative connections for the new Dumbarton Bridge are currently the object of much controversy in the area.

San Francisquito Creek provides the southern most boundary between San Mateo County and Santa Clara County. The creek is

also coterminous with the southern Menlo Park and East Palo Alto and the northern Palo Alto boundaries. Bay Road traverses Menlo Park and East Palo Alto between Atherton and Cooley Landing in East Palo Alto. Middlefield Road parallels El Camino Real through Menlo Park from Redwood City to Palo Alto. Appendix D provides a comprehensive description of the environmental characteristics of the project area.

2.6 FOCUS OF THE ENVIRONMENTAL IMPACT REPORT

According to the guidelines set down by the California Environmental Quality Act of 1970, "the degree of specificity required in an EIR will correspond to the degree of specificity required in the underlying activity". The underlying activity which this EIR addresses is general in nature - that is, a rule-making action. Thus, the degree of specificity in the EIR will also be general in nature.

2.7 AREAS OF ENVIRONMENTAL SIGNIFICANCE

Appropriately, as shown in the Initial Study in Appendix A, the following environmental elements are the focus of this EIR:

- o Population
- o Housing
- o Transportation/Circulation
- o Public Services
- o Fiscal Effects
- o Utilities
- o Aesthetics
- o Recreation
- o Mandatory Findings of Significance

2.8 AREAS OF ENVIRONMENTAL INSIGNIFICANCE

Furthermore, as shown in the Initial Study in Appendix A, the following environmental elements are not the focus of this EIR.

- o Earth
- o Air
- o Water
- o Plant Life
- o Animal Life
- o Noise
- o Light and Glare
- o Land Use
- o Natural Resources
- o Risk of Upset
- o Energy
- o Human Health
- o Archeological/Historical

3. BASE CONDITIONS

This section will outline the Base Conditions for the area under consideration for assignment of a sphere of influence. The Base Conditions will set forth a framework of existing and planned land use, as well as population characteristics for Menlo Park, East Palo Alto and Palo Alto.

3.1 MENLO PARK BASE CONDITIONS

3.1.1 MENLO PARK EXISTING LAND USE

The total incorporated area of the City consists of 19 square miles, which includes a very sizeable area of bay waters, salt ponds and marshlands. The actual urbanized section of Menlo Park consists of six square miles, and the majority of the City is developed. The major vacant land areas are in the industrial district near the Bay, and in the residential districts in the Sharon Heights area of the City. One further identifiable area, encompassing a large amount of undeveloped acreage, is St. Patrick's Seminary. Also the "Hill" area has a large amount of undeveloped acreage.

Adjacent to the southwest portion of the City there is a large, unincorporated, wedge-shaped residential section referred to as University Heights, which separates the Sharon Heights area from the rest of the City. In addition, smaller unincorporated parcels are distributed around the perimeter of the City. Menlo Park has had a long-standing policy to annex these areas for the purpose of unifying the City. Appropriately, these

islands were approved for annexation to Menlo Park by the Formation Commission in May of 1980 and were approved by the Board of Supervisors in August of 1980.

The predominant land use in Menlo Park is residential with approximately 1,550 acres designated for this use. This amounts to about 40 percent of the urbanized city. Approximately 85 percent of the residential land is occupied by single-family homes. Most of the single family residential districts were built between 1940 and 1960. The following table shows housing distribution by type of structure for Menlo Park.

TABLE 1
HOUSING DISTRIBUTION BY TYPE OF STRUCTURE, 1960 and 1970

| <u>Type of Structure</u> | <u>1960</u> | | <u>1970</u> | |
|--------------------------|-------------|----------|-------------|----------|
| | <u>No.</u> | <u>%</u> | <u>No.</u> | <u>%</u> |
| 1 Unit | 5902 | 67.2 | 6458 | 62.4 |
| 2 or More Units | 2876 | 32.8 | 3880 | 37.5 |
| Trailers or Boats | - | - | 7 | 0.1 |
| Total | 8778 | 100.0 | 10345 | 100.0 |

Source: U. S. Bureau of the Census, 1960 and 1970

Housing starts in San Mateo County are slowing, and few, if any, rental housing units are being built. This is the case in Menlo Park, where overall vacancy rates are extremely low and the price of housing, both new and existing, is rising rapidly. Moderate-

income families have a difficult time finding housing in Menlo Park which they can afford. The housing problem is further compounded by a severe jobs/housing imbalance in Menlo Park and the entire Mid-Peninsula. The imbalance between housing price and household income can have a significant impact upon the ability of employers to recruit and retain employees. A good part of the labor pool is comprised of workers whose incomes are inadequate to obtain housing within reasonable distances of available jobs.

There are 99.6 acres of land devoted exclusively to commercial and retail uses within the city limits of Menlo Park. The major commercial districts are in a compact area centering around Santa Cruz Avenue, and in a strip along both sides of El Camino Real. Additional strip commercial development is along parts of Willow Road and several neighborhood centers are scattered throughout the City.

Presently there are 326.8 acres designated for professional-administrative uses and 76 percent of these acres are developed. A limited expansion of this land use could take place in specially selected areas.

A park-like development approach has been used in the industrial districts, which for the most part are located between the Bayshore Freeway and San Francisco Bay. These districts have the largest amount of land available for development. In 1973

there were 540 acres designated for industrial use and about 330 acres are developed, mainly with manufacturing concerns, warehousing and distributive uses.

3.1.2 MENLO PARK PLANNED LAND USE AND PLANNING PROGRAMS

Menlo Park's 1974 Comprehensive Plan was used by LAFCo staff as a basis for determining planned land use and planning programs. Sections III and IV of the plan, "Towards 2000" and "Plan Effectuation," were specifically consulted for establishing the framework for this Base Condition.

The future use of the St. Patrick's Seminary property must be looked at when considering planned land use. The property is currently zoned for residential development. In addition, the possible future availability of the Veterans Administration property requires similar consideration. The future of the Stanford lands is also of great importance and concern to the City of Menlo Park. The City has proposed a policy encouraging Stanford to retain these lands in open space to the greatest possible extent. Lands within the City's Sphere of Influence, which in the 1966 General Plan were indicated for professional offices, are now recommended to be considered as an "Urban Reserve."

Only a small portion of the Stanford lands adjacent to Menlo Park is within the City's Sphere of Influence boundaries, as determined by the Local Agency Formation Commission in 1968.

The Comprehensive Plan states that "the LAFCO Sphere of Influence decision does not appear to provide for logical, ultimate municipal boundaries, as even a cursory examination of these boundaries indicates a lack of cohesiveness to the several communities involved."

The Plan further indicates that "the City should petition LAFCO to change Menlo Park's Sphere of Influence boundaries to form a more rational ultimate boundary pattern." This city policy will be taken into consideration by LAFCO staff in the current sphere of influence study.

In 1970, a proposed development plan for the Downtown area was prepared by planning consultants. The City and a Downtown Committee, composed of businessmen and concerned citizens, worked with the consultants on detailed physical and financial studies on which a proposed action program was based. The development plan was reviewed by the City Planning Commission; however, no official action was taken at that time by either the Planning Commission or City Council. It was not until 1976 that redevelopment and revitalization of the downtown area finally got underway. The project is now substantially complete.

The Comprehensive Plan notes that, goals pertaining to the "growth" issue appear to be basically the same as those in the 1966 Plan." At that time the Plan Review Committee proposed that:

(1) population growth should be at a moderate and determined rate with a better distribution of racial and income characteristics; and
(2) geographic expansion should incorporate existing unincorporated pockets and areas within the City's Sphere of Influence.

The major differences between the 1966 Plan and the 1974 Plan are that the East Palo Alto community is not considered by Menlo Park for future annexation. This is because of the formation of the Municipal Council in 1967. The presently acceptable growth rate and holding capacities as indicated in this Comprehensive Plan are considerably lower than previously provided for in the earlier General Plan.

3.1.3 MENLO PARK POPULATION

The U.S. Census of 1970 reported that a total of 26,734 persons resided within the corporate limits of the City of Menlo Park. The City, as presently incorporated, were it to develop to the maximum allowed under the zoning, as shown in the Comprehensive Plan as of January 1974, had a holding capacity of about 37,200 persons. This increase of about 40 percent (27,000 to 37,000) could be considered as moderate growth in population since it is anticipated to occur over a twenty-five-year period. The holding capacity of the City, plus areas presently contiguous but outside the City boundaries, under various conditions, are shown in Table 2.

TABLE 2
PLANNING AREA HOLDING CAPACITY

| | EXISTING POPULATION | MAXIMUM POTENTIAL HOLDING CAPACITY | | |
|--|------------------------|--|-------------------------------------|--|
| | <u>1970 Census</u> | <u>Previous Zoning Prior to January 1974²</u> | <u>As per 1966 General Plan</u> | <u>Current Zoning as of January 1974</u> |
| City as Presently Incorporated | 26,734 | 43,000 | 43,200 | 37,200 |
| City and Areas in Official Sphere of Influence | 34,500 | 58,500 | 56,000 | 52,500 |
| City and All Unincorporated Areas in Environs ³ | 53,500 | 105,000 | 81,000 | 99,000 |

¹As zoned by City of Menlo Park prior to the zoning amendment to multi-family districts in January, 1974, and as zoned by San Mateo County.

²As currently zoned by City of Menlo Park and/or San Mateo County.

³Includes East Palo Alto and Ladera

Source: Menlo Park Comprehensive Plan, Toward 2000

If the lands within the Sphere of Influence of Menlo Park as assigned by LAFCo in 1968, were annexed to the City, the population would increase from 27,000 to approximately 34,500, or about 30 percent. It should be noted that this does not include East Palo Alto which was placed in a "holding sphere" by LAFCo.

The holding capacity of the City would also increase. Under the previous City zoning, and County's existing zoning, the holding capacity would have been 58,500 persons, and as per the City's 1966 General Plan, about 56,000 persons. These figures indicate an increase of more than 110 percent over the 1970 U.S. Census base figure. The Comprehensive Plan notes however, that "if the areas within the official Sphere of Influence could be annexed it would offer the City the alternative to curb this increase by reducing the holding capacity from the existing County zoning." Furthermore, the Plan notes that "this reduction of holding capacity would lessen the potential negative impact of increased traffic volume and congestion, and the demand for increased municipal services."

Annexation of all unincorporated areas in the City's environs (including East Palo Alto) would increase the City's population, as per the 1970 U.S. Census, to 53,500 persons. The holding capacity under the existing County zoning would be about 105,000 and about 81,000 as per the City's 1966 General Plan.

The size and change in composition of the population of the City over the years occurred from a combination of new development, migration, annexation, change in family size, and natural increase. The City had its greatest percentage change (317%)

between 1940 and 1950, and its greatest numerical change (13,370) between 1950 and 1960, a period coinciding with the postwar increase of fertility rates throughout the nation and expansion of employment opportunities in the Bay Area. Since 1960, Menlo Park's population appears to have stabilized in numbers, which can be attributed to the relative lack of available vacant land for residential development and the nationwide trend of low fertility and birth rates. Preliminary 1980 Census figures, however, indicate a slight decline in Menlo Park's population.

The population of Menlo Park, according to the 1970 Census, was approximately 80.1 percent white and 19.9 percent non-white. Adjacent communities recorded the following percentages of non-whites: Redwood City, 3.9 percent; Palo Alto, 7.3 percent; Los Altos, 2.6 percent; Portola Valley, 1 percent; Atherton, 2 percent; Mountain View, 7.8 percent; Sunnyvale, 5.4 percent. This indicates that Menlo Park with 19.9 percent non-white population, contained a higher proportion of racial minorities than any of the neighboring communities in the Mid-Peninsula.

In the 1970 Census 41.1 percent of the total Menlo Park labor force engaged in professional, technical or management type employment. Two percent were classified as laborers. The remaining 56.9 percent of employed persons were skilled or semi-skilled workers.

The medium family income in Menlo Park in 1969 was \$13,538, The San Mateo County medium was \$13,222. Highest medium income

was in the Sharon Heights area (\$24,799) and the lowest in the Belle Haven area (\$7,656). Table 3, below gives a detailed breakdown of Menlo Park family income in 1969. The total number of families involved was 6,924.

TABLE 3
1969 INCOME OF FAMILIES IN MENLO PARK

| Income (\$) | Families |
|-----------------|----------|
| 1 - 4,999 | 771 |
| 5 7,999 | 863 |
| 8 9,999 | 682 |
| 10 11,999 | 684 |
| 12 14,999 | 901 |
| 15 24,999 | 1,927 |
| 25 49,999 | 888 |
| 50,000 and Over | 208 |

Source: U.S. Bureau of the Census, 1970

3.2 EAST PALO ALTO BASE CONDITIONS

3.2.1 EAST PALO ALTO EXISTING LAND USE

The East Palo Alto Community Plan, as previously mentioned, is still in its formative stages and is not expected to be complete until late 1980. LAFCo staff, however, has received various working papers from the County Planning Division. These will be used as a basis for discussion in this section although final land use policies will not be determined until the Community Plan is adopted. East Palo Alto's existing land use by zoning category as of July 1980, is shown in Table 4, on the following page.

TABLE 4
EAST PALO ALTO ZONING SUMMARY

| | ACRES | PERCENT |
|---|-------|---------|
| "R-1" (One-Family Residential) Districts | 726 | 43.6 |
| "R-2" (Two-Family Residential) Districts | 11 | 0.7 |
| "R-3" (Multiple-Family Residential) Districts | 101 | 6.1 |
| TOTAL RESIDENTIAL | 838 | 50.3 |
| "O" (Office) Districts | 5 | 0.3 |
| "C-1" (Neighborhood Business) Districts | 38 | 2.3 |
| "C-2" (General Commercial) Districts | 16 | 1.0 |
| "H-1" (Limited Highway Frontage) Districts | 15 | 0.9 |
| TOTAL COMMERCIAL | 74 | 4.4 |
| "M-1" (Light Industrial) Districts | 98 | 5.9 |
| "M-2" (Heavy Industrial) Districts | 45 | 2.7 |
| TOTAL INDUSTRIAL | 143 | 8.6 |
| "A-1" (Agricultural) Districts | 37 | 2.2 |
| "A-3" (Floricultural) Districts | 32 | 2.0 |
| TOTAL AGRICULTURAL | 69 | 4.2 |
| "R-M" (Resource Management) District | 234 | 14.0 |
| TOTAL ZONED AREAS | 1358 | 81.5 |
| OTHER AREAS (Primarily Rights-of-Way) | 309 | 18.5 |
| TOTAL AREA | 1667 | 100.0 |

Source: San Mateo County
Department of Environmental
Management
Planning Division
July 1980

The East Palo Alto Community consists of approximately 2.6 square miles. The area is about 50 percent residential with commercial and industrial acreage comprising 4.4 percent and 8.6 percent, respectively. Areas within the community display a variety of district characteristics. The Nairobi Center includes East Palo Alto's central business district (CBD), government center and many close-in residences. The CBD is located in the heart of the community at the intersection of two major cross-town streets and is accessible from all parts of the community. Many of the problems associated with the community are focused in this area.

From an economic standpoint, the Ravenswood Industrial Park area represents an important part of the community. This large industrial area has fairly distinct boundaries physically separating it from nearby residential neighborhoods. After completion of the Bay Road improvements, access to the area will be improved. However, alternate connections to major inter-city transportation routes are needed to increase accessibility from outside East Palo Alto and avoid the adverse impacts of truck traffic on residential streets.

The Cooley Landing area is a wide expanse of baylands 3/4 mile from the Central Business District and within walking distance of many residential neighborhoods. The East Bayshore area includes most of the commercial district between Nairobi Center and the Bayshore Freeway. It is characterized by property adjacent to or in the close proximity of University Avenue, the freeway interchange, East Bayshore and Willow Road.

The Ravenswood area includes the remainder of Bayshore Road, several apartment buildings and the community's largest trailer park. The predominant feature of the area is the former Ravenswood High School site. This site has been surplused by the Sequoia School District. The Palo Alto Gardens area is the most modern residential neighborhood in East Palo Alto. The area is largely built out.

The East Palo Alto area is one of the oldest portions of the community. Much of the area is developed with large lots, some of which are used for greenhouses. University Village is a largely self-contained residential neighborhood. The area includes Costano School and Jack Farrell Park. It is bounded by the industrial area to the east and the CBD to the south.

Palo Alto Park is a large residential area. The area is lacking in open space and recreation opportunities except for the school site and the Mutual Water Company property located southwesterly of Garden and Oakwood.

The East of Bayshore area is physically separated from the remainder of East Palo Alto by the Bayshore freeway. It has the largest concentration of multiple family residential development and a commercial district.

The San Mateo County Planning Division's working paper on Housing presents housing information that characterizes existing land use in East Palo Alto. East Palo Alto's housing inventory has increased modestly since the 1970 Census count of 6,443 units.

In the last decade there has been a net increase of 412 units, 350 of these were apartment units constructed mostly in the West of Bayshore area. Single-family housing predominates, notably in the east-of-Bayshore areas, where it was 81 percent of the total 1970 inventory of 4,435 units.

Only a small proportion of the East Palo Alto's housing stock may be considered "new." The majority of single-family units were constructed in the "tract" building era of the 1950's, and a sizable proportion are now in need of maintenance or rehabilitation. A survey done in the mid-1970's estimated that some 200 units were in immediate need of extensive rehabilitation, and that a similar number would soon require this level of attention. The County Department of Housing and Community Development has approved over 130 rehabilitation loans since 1975, and demand for these loans continues to be high. The early 1970's phenomenon of "abandoned" and vandalized houses in various parts of the east-of-Bayshore area is now greatly diminished, and there is visible evidence of upgrading of older housing, spurred by both publicly-subsidized programs and by the currently "tight" housing market. Table 5 shows the age of housing units in East Palo Alto by census tract in 1970.

The East Palo Alto community's "tight" housing market presents a problem for moderate and low income families in the area who have a difficult time finding housing which they can afford. As in parts of the Bay Area, prices of single-family dwellings in East

Palo Alto have increased dramatically. The selling price for a modest single-family residence in good condition is over \$50,000 in East Palo Alto, putting such units out of reach for moderate-income families without a substantial subsidy.

TABLE 5
Age of Housing Units, 1970
for East Palo Alto

| <u>Year Built</u> | <u>6118</u> | <u>6119</u> | <u>6120</u> | <u>6121</u> | <u>Total</u> |
|-------------------|-------------|-------------|-------------|-------------|--------------|
| 1965-70 | 13 | 150 | 96 | 507 | 766 |
| 1960-64 | 37 | 198 | 333 | 720 | 1288 |
| 1950-59 | 688 | 843 | 819 | 551 | 2901 |
| 1940-49 | 87 | 385 | 414 | 166 | 1052 |
| Before 1940 | 16 | 171 | 185 | 64 | 436 |
| | | | | | <u>6443</u> |

Source: U.S. Census, 1970

Rental rates are also soaring. For example, a mid-1979 survey of East Palo Alto apartment rentals found 2-bedroom units renting for about \$340. Escalation of home prices and rents is not unique to East Palo Alto, but it is a particular hardship considering the limited incomes of many residents and potential residents. Table 6 illustrates the increasing dilemma lower income buyers or renters face in the East Palo Alto housing market, and points to the need for assistance in meeting even minimal requirements for adequate shelter.

TABLE 6
HOUSING COSTS AND INCOME
EAST PALO ALTO

| | <u>1970</u> | <u>1976</u> | <u>1979</u> | <u>%Change</u> |
|-----------------------------------|-------------|-------------|-------------|----------------|
| <u>Median Home Value</u> | \$18,000 | \$23,000 | \$46,200 | +148.4% |
| <u>Median Contract Rent/Month</u> | \$ 147 | - | \$ 280 | + 90.5% |
| <u>Median Household Income</u> | \$ 9,401 | \$13,721 | \$16,582 | + 76.4% |

Sources: U.S. Census, H.U.D., San Mateo County Planning Department.

3.2.2 EAST PALO ALTO PLANNED LAND USE AND PLANNING PROGRAMS

The Land Use element of the proposed East Palo Alto Community Plan is considered by the San Mateo County Planning Division to be the heart of planning process. The approach to be used by the Planning Division will be to develop a land use plan based on planning principles, the community's existing and potential needs, assets, community defined goals, and facilitation of private sector investment; and provide for implementation of the plan through a series of recommended ordinance changes.

Planned land use and planning programs for East Palo Alto Community are obviously still in their formative stages. This section of the Base Conditions, therefore, will be subject to modification as the Community Plan develops and the public review process unfolds.

It would be premature for LAFCo staff to present even preliminary proposals for Planned Land Use and Planning Programs. Hopefully, when this Draft EIR is reviewed and comments are received, the Planned Land Use section of this report can be augmented with more substantive information.

County Planning believes that housing programs for the community must be integrated into a larger countywide program designed to (1) improve existing deteriorated housing and (2) provide new housing opportunities for low income persons throughout the county. East Palo Alto's existing housing stock is basically sound and, where deteriorated, is capable of being rehabilitated.

There is still considerable potential for development of new housing in East Palo Alto. The community represents a tremendous opportunity to help relieve the severe jobs/housing imbalance in the Mid-Peninsula. A sensitive and skillful mix of future residential, commercial and industrial development in East Palo Alto could help relieve this situation.

3.2.3 EAST PALO ALTO POPULATION

In establishing the Base Conditions for East Palo Alto Population, much of the basic information on population, housing, and households in East Palo Alto must be derived from the 1970 Federal Census. Detailed information from the 1980 Census will not be available for at least a year and a half, although preliminary counts of population and housing units have recently been released. Preliminary indications reveal a substantial decrease

in East Palo Alto's population.

The 1970 population of East Palo Alto by census tract is shown in Table 7.

TABLE 7
POPULATION - EAST PALO ALTO

| CENSUS TRACT/ AREA | 1950 | 1960 | 1970 |
|-----------------------|-------|--------|--------|
| 6118 | NA | 3,421 | 3,609 |
| 6119 | NA | 6,022 | 6,100 |
| 6120 | NA | 4,434 | 5,136 |
| East of Bayshore | NA | 13,877 | 14,845 |
| 6121 | | | |
| West of Bayshore | NA | 1,142 | 2,992 |
| Total East Palo Alto | 7,123 | 15,019 | 17,837 |

Source: U.S. Census, 1970

East Palo Alto had its period of rapid growth during the 1950's. In the 1950-1960 decade, population more than doubled. Most of the growth in this period was in the east of Bayshore area. West of Bayshore added some single-family unit and several apartment buildings, but still retained a semi-rural atmosphere in parts of the area, at least until the construction of Bayshore Freeway in the mid-1950's. Construction of the Freeway appears to have marked the beginning of the present pattern of a high-density, largely white apartment community west of Bayshore; and a predominantly single-family largely black population east of Bayshore.

According to the San Mateo County Planning Division, results of the 1980 Census, when they become available, will probably show a substantial decline in population. Indicators such as declining school enrollments and a relatively small amount of new residential construction suggest that population in the east-of-Bayshore area has declined. As in most mid-Peninsula communities (e.g., Menlo Park, Palo Alto), household size in this area is dropping as a result of declining birth rates and "graduation" from child-rearing status by numbers of long-term resident families. This adds up to zero growth and a declining population.

This effect may be less pronounced in the apartment community west of Bayshore. There are few children in the apartment households, and the number of people occupying a given apartment unit (normally 1 to 3 people), tends to remain constant as one household replaces another in the unit.

The age distribution of the population has important implications for school planning, recreational and cultural programs and facilities, employment, the crime rate and policing needs, and many other aspects of community life. Compared with many other localities, East Palo Alto has a relatively "young" population (see Table 8). Although almost all communities in this area will show substantial changes in their age make-up for 1980, the relative differences shown in the 1970 statistics will still be reflected in the 1980 figures, when they become available. East Palo Alto will continue to have a high declining proportion of its population in the pre-school and school age groups, and the young adult group will show an increase. There will probably be a moderate increase in the 65+ group.

TABLE 8

AGE DISTRIBUTION IN THREE MID-PENINSULA COMMUNITIES - 1970

| Community | Percent in Age Group | | | | | | | | Total |
|----------------|----------------------|------|-------|-------|-------|-------|-------|------|-------|
| | 0-4 | 5-14 | 15-19 | 20-24 | 25-29 | 30-49 | 50-64 | 65+ | |
| East Palo Alto | 9.2 | 21.9 | 8.2 | 11.9 | 11.1 | 23.2 | 9.7 | 4.8 | 100% |
| Menlo Park | 6.7 | 15.0 | 6.9 | 7.8 | 8.0 | 23.4 | 19.0 | 13.2 | 100% |
| Palo Alto | 5.7 | 13.4 | 8.9 | 8.7 | 8.1 | 26.3 | 17.9 | 10.3 | 100% |

Source: U.S. Census, 1970

The 1970 Census counted almost 11,000 black residents of the community, or 61 percent of its population (see Table 9). In 1970, almost all of the black population resided east of Bayshore, where 72 percent of the population was black. Other significant minorities included Spanish-Americans and persons of oriental ancestry.

TABLE 9
ETHNIC CHARACTERISTICS - EAST PALO ALTO, 1970

| Census Tract/ Area | Population by Ethnic Groups | | | | Total Population |
|-----------------------|-----------------------------|---------------------|----------------|----------------|---------------------|
| | Black | Spanish Heritage | Other White | Other Races | |
| 6118 | 3,174 | 272 | 55 | 108 | 3,609 |
| 6119 | 4,203 | 441 | 902 | 554 | 6,100 |
| 6120 | 3,270 | 189 | 1,495 | 182 | 5,136 |
| East of Bayshore | 10,647 | 902 | 2,452 | 884 | 14,845 |
| 6121 | | | | | |
| West of Bayshore | 199 | 241 | 2,420 | 132 | 2,992 |
| Total E. Palo Alto | 10,846 | 1,143 | 4,872 | 976 | 17,837 |

Source: U.S. Census, 1970

East Palo Alto, particularly the east-of-Bayshore area, has many households with extremely modest means. The 1969 median family income, as measured in the 1970 Census, was \$9,401, compared with a median of \$13,222 for San Mateo County, and higher levels in neighboring cities. Some 14 percent of the families were classified as below the federally-defined "poverty level." Currently, about half the families of the community are in the "low-moderate" income range, by HUD standards.

Other correlates of low-moderate income are documented in the 1970 Census statistics: relatively high number of large families, numerous single-parent families (mostly headed by women), higher than average unemployment rates, a high proportion of the labor force in "blue collar" employment. These indications are most evident in the east-of-Bayshore census tracts. For east-of-Bayshore residents in particular, the freeway symbolizes more than a geographic barrier.

Average household size (persons per occupied housing unit) was relatively high in 1970, 4.2 persons per unit for owner-occupied units; 3.2 for renter-occupied units. Considering the relatively small size of most units in East Palo Alto, this indicates a very intensive utilization of many units. If an "overcrowding" standard of 1.01 persons per room is applied, 6.5 percent of East Palo Alto's units were overcrowded in 1970.

3.3 PALO ALTO BASE CONDITIONS

3.3.1 PALO ALTO EXISTING LAND USE

The Base Conditions for this EIR have already been established for Menlo Park and East Palo Alto in the two preceding sections. This section of the report will define the Base Conditions for annexation of all or part of East Palo Alto to Palo Alto.

Palo Alto's Comprehensive Plan was used by LAFCo staff as a source document for land use information used in this section. Palo Alto, a city of approximately 25 square miles, is located 35 miles from San Francisco and 15 miles from San Jose. Palo Alto is the only South Bay community whose lands extend from the middle of the Bay to Skyline Ridge in the Santa Cruz mountains. The Palo Alto planning area includes the City of Palo Alto, adjacent unincorporated Faber and Laumeister tracts in San Mateo County. These City-owned tracts are in East Palo Alto, however, East Palo Alto is not considered to be within Palo Alto's "planning area."

The planning area includes land within the Palo Alto City limits and unincorporated areas including Stanford University lands in Santa Clara County and several parcels in the Baylands and upper foothills. Some major decisions affecting land use have been made: the foothills and Baylands are to remain open. The remainder of the City is nearly built-up.

In 1975, Palo Alto's 23,800 housing units made up about one-sixth of the housing in the Midpeninsula area from Redwood City to Sunnyvale. In addition, Stanford University provides space for about 7,100 students including 1,450 apartments for married students. There are also 700 campus units for faculty and staff. These units are not available on the open market.

Two-thirds of Palo Alto's units are single-family home. Of these, about 20 per cent of them are rented. Owners occupy just over one-half of all the housing units in Palo Alto. The percentages of single family units and owner-occupied units are similar to most other large Midpeninsula communities.

Palo Alto's housing is closer in age to the housing in San Mateo County than it is to other communities in Santa Clara County. Almost 40 per cent of Palo Alto's housing was built before 1950 and another 40 per cent between 1950 and 1960. Since 1960, while Palo Alto was constructing only 20 per cent of its housing, the rest of Santa Clara County was building 50 per cent.

The medium market value in 1970 of owner-occupied housing in Santa Clara County was \$27,300, almost 20 per cent higher than in California as a whole. At the same time, the median value in Palo Alto was almost \$33,900, and more than 15 per cent of Palo Alto's owner-occupied housing was valued at over \$50,000. Palo Alto had almost twice as much of its ownership housing (46 per

cent)priced above \$35,000 as the whole of Santa Clara County and less than half as much (17 per cent) under \$25,000. No other city of over 50,000 population in the county showed such a divergence from the county pattern.

Although more than 50 percent of Palo Alto's ownership housing was valued under \$35,000 in 1970, less than 10 per cent now is available for that price. Units under \$25,000 are almost gone from the market. Between 1970 and 1975 the median house value increased to \$56,000, a jump of more than 50 per cent.

Similar, although less severe, cost escalation has occurred in rental housing. About 70 per cent of Palo Alto's rental housing was available for under \$200 per month in 1970, but only a little more than 50 per cent was available at that same level in 1974, mostly in smaller studio and one-bedroom units. One-sixth of the apartments in Palo Alto in 1974 were renting for \$275 per month or more.

Despite the high costs, the vacancy rates for both ownership and rental housing have been stable at below three per cent in recent years due to the strong housing demand. The federal Department of Housing and Urban Development defines "shortage" or "tight" market conditions as an overall rental vacancy rate of three per cent or less and an apartment vacancy rate of five percent or less.

As is the case with other communities on the Mid-Peninsula, Palo Alto has a severe jobs/housing imbalance. Expanding employment will increase the pressure on the already saturated housing market in Palo Alto and the surrounding communities.

3.3.2 PALO ALTO PLANNED LAND USE AND PLANNING PROGRAMS

The Land Use Plan shows the City's intentions for the development, redevelopment, growth, and preservation of public and private properties within the Palo Alto planning area over the next 15 years. The planning area includes land within the Palo Alto City limits and unincorporated areas including Stanford University lands in Santa Clara County and several parcels in the Baylands and upper foothills.

Proposed land uses and streets echo existing patterns. This is because the flatlands of Palo Alto are largely built up. The City's decision to keep the foothills and Baylands predominantly open is reflected in the Open Space Element. Boundaries between land uses are quite specific and usually follow present property lines and existing land uses.

In theory, Palo Alto's present residential zoning pattern indicates a potential holding capacity of almost 38,500 housing units. However, as noted in the Comprehensive Plan, the only way this total could be reached is if all buildings in Palo Alto were removed and the City were completely rebuilt from scratch at maximum density. A more realistic estimate of full residential

development is much lower because much of Palo Alto's housing is already built up and is unlikely to be redeveloped, and development in the past has not usually occurred at maximum density. Building on all remaining residentially zoned vacant land would result in a total of about only 25,750 units in the City. There will be construction on other than vacant land, however. Most new multi-family units will be built on redeveloped land, replacing older single-family units in areas already zoned for multi-family use. Because of this kind of expected redevelopment, a realistic estimate of full development in Palo Alto is around 27,500 units. Palo Alto is seriously in need of more residential development to relieve the pressure on its already saturated housing market.

3.3.3 PALO ALTO POPULATION

Palo Alto's Comprehensive Plan was used by LAFCo staff as a source document for the population information used in this section. The Plan indicates that there are 56,000 people living in Palo Alto, and about 11,000 living on the Stanford University campus. Palo Alto's population is rising in average age. Persons 60 years and older make up almost one-seventh of Palo Alto's residents, a higher proportion than the national average, but lower than in neighboring Menlo Park. The highest concentration of seniors in Santa Clara County is found in the downtown area of Palo Alto. At the same time as the percentage of seniors is increasing, the percentage of children is decreasing. Children under 18 made up 28 per cent of Palo Alto's population in 1970

as compared to Santa Clara County's 37 per cent. Enrollment in the Palo Alto Unified School District has been declining steadily in recent years because of the drop in the birth rate and the tight, high-priced housing market which causes most families with young children to seek housing elsewhere. Six per cent of Palo Alto's population is between 18 and 21 years old. Stanford students living in Palo Alto account for a large number--almost 2,000 people--in this age group.

Expanding employment will increase pressure on an already saturated housing market in Palo Alto and in the surrounding communities. The quality of housing, level of public services, public school system, proximity to regional transportation, and the character and magnitude of local employment all affect housing demands.

Ethnic minorities make up about 13 per cent of Palo Alto's population. Persons of Spanish language and surname are the largest group, accounting for almost half of the minority population. Asian-Americans are a little more than one-third of the minority population and about four per cent of the total population. Blacks are one-fifth of the minority population and less than three per cent of the total population, and others are less than one per cent of the total population.

The 1970 Census showed that Palo Alto had the second highest average family income of any city of 25,000 or more in the Bay Area. Average household income ranked somewhat lower because of the large number of lower income senior and student households in Palo Alto.

4. ALTERNATIVE ORGANIZATIONAL STRUCTURES - A FRAMEWORK

In this section of the EIR a framework for each of the four alternative forms of organization will be set forth. This section will provide the organizational basis for determining the environmental impact of each alternative on areas of environmental significance to be examined in Section 5.

4.1 STATUS QUO

The status quo alternative to be analyzed in the sphere of influence study will evaluate the East Palo Alto community as it currently exists. It will take inventory of the quality and quantity of public services^{es} provided to the community. It will compare and contrast present service levels and volumes with those that would be provided under optimal circumstances. It will evaluate current public services, identifying deficiencies and recommending possible improvement measures. Fiscal conditions will be analyzed in detail.

By the way of introduction, the unincorporated urbanized East Palo Alto community relies heavily upon the County of San Mateo and eight special districts for public services. Existing government service providers in East Palo Alto are shown in Table 10, page 54.

Table 10

EXISTING GOVERNMENT SERVICE PROVIDERS IN EAST PALO ALTO

| Government Service | Type of Agency | | | | | Name of Service Provider |
|---|----------------|---|---|--|---|---|
| | | | | | | |
| 1. <u>Schools</u> | | | | | | |
| a. Public | | | | | | |
| - Primary | | | • | | | - Ravenswood City School District |
| - Secondary | | | • | | | - Sequoia Union High School District |
| - College | | • | | | | - San Mateo County Community College District |
| b. Private | | | • | | | - Nairobi Schools (including primary and secondary schools and a college) |
| 2. <u>Police Protection</u> | • | | | | | - San Mateo County Sheriff's Department |
| | | | • | | | - California Highway Patrol |
| 3. <u>Fire Protection</u> | | | • | | | - Menlo Park Fire Protection District |
| | | | • | | | - California Division of Forestry |
| 4. <u>Road Construction & Maintenance</u> | • | | | | • | - San Mateo County Public Works Dep't (Road Division) |
| | | | | | • | - Caltrans |
| 5. <u>Flood Control & Storm Drainage</u> | • | | | | | - San Mateo County Public Works Department, Flood Control & Water Services: |
| | | | | | | - San Francisquito Creek Flood Zone No. 1 |
| | | | | | | - San Francisquito Creek Flood Zone No. 2 |
| | | | | | | - Ravenswood Slough Flood Zone |
| | | | | | | - East Palo Alto Gardens Drainage District |
| | | | | | | - East Palo Alto Drainage Maintenance District |

Table 10 , continued

| Government Service | Type of Agency | | | | | Name of Service Provider |
|---|-------------------|-----------------|----------------------|----------------------|-------------------------|---|
| | County Department | County District | Independent District | Private Organization | State or Federal Agency | |
| 6. <u>Street Lighting</u> | • | | | | | - San Mateo County Public Works Department: - Ravenswood Highway Lighting District |
| 7. <u>Water Supply</u> | | • | • | | | - Palo Alto Park Mutual Water Company - O'Connor Tract Cooperative Water Company |
| | • | | | | | - San Mateo County Public Works Department, Flood Control & Water Services - East Palo Alto County Waterworks District |
| 8. <u>Sewage Treatment & Disposal</u> | | • | • | | | - East Palo Alto Sanitary District - Menlo Park Sanitary District |
| 9. <u>Refuse Disposal</u> | | | • | | | - San Mateo County Scavanger Co. (County Service Area No. 5 - contract service) |
| 10. <u>Parks & Recreation</u> | • | • | | | | - Ravenswood Recreation and Parks District - San Mateo County Department of Parks & Recreation - Mid-Peninsula Open Space District |
| 11. <u>Planning & Building Inspection</u> | • | | | | | - San Mateo County Department of Environmental Management, Planning Division and Development Division - East Palo Alto Municipal Council |

| Government Service | Type of Agency County Department County District Independent District Private Organization State or Federal Agency | | | | | Name of Service Provider |
|--|---|--|---|---|---|--|
| 12. <u>Social & Health Services</u> | • | | | • | • | <ul style="list-style-type: none"> - San Mateo County Dep't of Public Health & Welfare - Drew Medical and Dental Center - Economic Opportunity Commission, Inc. |
| 13. <u>Housing & Community Development</u> | • | | | | | <ul style="list-style-type: none"> - San Mateo County Housing & Community Development Division - San Mateo County Housing Authority |
| 14. <u>Transit</u> | • | | • | | | <ul style="list-style-type: none"> - Samtrans |
| 15. <u>Library</u> | • | | | | | <ul style="list-style-type: none"> - San Mateo County Library, East Palo Alto Branch |
| 16. <u>Animal Control</u> | • | | | | | <ul style="list-style-type: none"> - Peninsula Humane Society (County of San Mateo contract) |
| 17. <u>Other General Government Services</u> | • | | | | | <ul style="list-style-type: none"> - San Mateo County - East Palo Alto Municipal Council |
| 18. <u>Emergency Services</u> | • | | • | • | | <ul style="list-style-type: none"> - Menlo Park Fire Protection District - Medevac, Inc. (County of San Mateo contract) |
| 19. <u>Civil Defense</u> | • | | | | | <ul style="list-style-type: none"> - San Mateo County Civil Defense |

4.2 INCORPORATION OF EAST PALO ALTO

The incorporation of East Palo Alto alternative to be analyzed in the sphere of influence study will evaluate the feasibility of a new city. Incorporation will be analyzed assuming three boundary alternatives. These are: (1) the current boundaries of CSA #5, (2) detachment of South of Willow Road from Menlo Park to be added to the current boundaries of CSA #5, and, (3) the current boundaries of CSA #5, excluding the West of Bayshore Freeway area.

Boundary alternative number (2) is a variation in the incorporation/annexation/detachment scenario would be detachment of the land South of Willow Road from Menlo Park and subsequent annexation to East Palo Alto. This alternative involves detachment of several hundred acres currently within Menlo Park and annexation of this land to East Palo Alto as it incorporates. The land involved is South of Willow Road and includes the old Hiller-Fairchild industrial site (presently being redeveloped), other smaller industrial developments, vacant industrial land (some of which has been proposed for a major residential development), salt ponds and bay front marshland, which includes a marina site.

The addition of this land to East Palo Alto would add to the new city's undeveloped land supply and permit residential and industrial growth that may enhance the feasibility of incorporation. Two projects proposed on this land, the Menlo Industrial Park and the Sunset Meadows Residential Subdivision, have both been

shown in respective project EIR's to be fiscally sound, providing revenues in excess of costs. The Sunset Meadows plan, however, has recently been abandoned by the developer.

Boundary alternative number (3) is a scenario that would involve annexation of the West of Bayshore Freeway area to Menlo Park and incorporation or status quo for the East of Bayshore Freeway area. This alternative would exclude the area currently considered a part of East Palo Alto from an incorporated East Palo Alto. The land is adjacent to Menlo Park. A local property owners' group has been actively pursuing annexation of the area to Menlo Park.

The area West of the Bayshore Freeway occupies less than ten per cent of the land area of East Palo Alto but is developed at a higher density. Seventeen per cent of East Palo Alto's population resides in the area. It is the location of the major commercial area in East Palo Alto. Because of the higher residential density and generally more costly homes, the area produces a larger proportional amount of property tax revenue. The area is the most fiscally sound part of East Palo Alto.

The Fiscal Analysis will be used as the basis for determining the financial feasibility of incorporating the East Palo Alto community. However, whenever LAFCo staff determines that the Angus-McDonald study does not adequately cover an area or is inaccurate, we will perform our own analysis.

It should be noted that although staff will attempt to use data and analyses already gathered or performed, we will assemble an independent data base to evaluate the adequacy and impartiality of previous work. Furthermore in the case of alternatives (2) and (3), minimal coverage is provided by the McDonald and Associates, Inc. study. Therefore, staff will expand on these alternatives by argumenting the analysis so as to adequately determine their feasibility.

The Fiscal Analysis formulates two incorporation service levels. The first represents a minimum level of service where only the legally required services would be provided and where most of the special districts would remain in existence. This is referred to as Alternative A. The second service level represents a more full-service city where most of the special districts would be absorbed by the new city of East Palo Alto. This is referred to as Alternative B.

The sphere of influence study, to be prepared by LAFCo staff, will assume these two service levels for incorporation alternatives (1), (2), and (3). The responsibilities of the proposed minimum service city, Alternative A, would be as follows:

- o General Government
- o Police Protection
- o Street Maintenance
- o Planning and Building Inspection
- o Animal Control
- o Civil Defense
- o Garbage Collection

These services could be provided directly by the city or provided through service contracts. The Fiscal Analysis assumes in Alternative A that all of these services would be performed by city personnel except engineering, legal, animal control, civil defense and garbage collection. The level of service proposed was generally set at existing levels. Where a substandard level of service presently exists, an additional increment of service was proposed. The city staff proposed was generally considered a core staff. Many cities have employees financed by CETA or specific federal grants. These programs will undoubtedly exist in East Palo Alto but are not specifically identified.

The Alternative B City of East Palo Alto is assumed to be a general law, council-manager city similar to the Alternative A city. However, Alternative B city would be responsible for a broader range of services that include the following:

- o General Government
- o Police Protection
- o Planning and Building Inspection
- o Water Service
- o Sanitary Services
- o Street Maintenance
- o Drainage Maintenance
- o Street Lighting
- o Parks and Recreation
- o Animal Control
- o Civil Defense
- o Garbage Collection

Although these services could be provided through service contracts, in this analysis it was assumed that all services would be provided directly by the city except, engineering services, attorney services, animal control, civil defense, garbage collection, and pari maintenance and street lighting. Similar to the Alternative A city, the proposed level of service is generally set at existing levels. Where a substandard level of service presently exists, an additional increment of service is proposed. Also like Alternative A, the proposed city staff would be augmented by staff and programs funded by specific federal grants such as CETA.

4.3 ANNEXATION OF ALL OR PART TO MENLO PARK

The annexation of all or part to Menlo Park will be analyzed considering four variations:

- 1) Annexation of West of Bayshore to Menlo Park and status quo for the remainder of East Palo Alto.
- 2) Annexation of West of Bayshore to Menlo Park and incorporation of the remainder of Menlo Park.
- 3) Annexation of West of University Avenue to Menlo Park and annexation of East of University to Palo Alto, and
- 4) Annexation of all of East Palo Alto to Menlo Park.

Under this alternative, the City of Menlo Park would extend its present services to all or part of East Palo Alto. Menlo Park has a public service infrastructure that might be expanded more economically than creating a new city government. This would be accomplished by dissolving most of the special districts providing

public services to East Palo Alto and expanding the existing Menlo Park departments. Notable exceptions would be the Menlo Park Fire District, Menlo Park Sanitary District, and the East Palo Alto Sanitation District which would continue to provide service after annexation. The district boundaries in and around Menlo Park are in no way related to or contiguous with municipal boundaries.

In order to establish a framework for discussion of the environmental impacts of this alternative in Section 5.3 of this EIR, a brief description of public services offered by Menlo Park is included in the following pages,

The City of Menlo Park provides police service to the area within 19 square miles of its corporate limits (6 square miles is urban area) and provides emergency service to the subject unincorporated island area. The department has a staff of 45 persons and provides Patrol, Investigation, Traffic Management, Communications, Parking and Crime Prevention Services. The City has a parking ordinance that prohibits overnight street parking.

The City of Menlo Park owns and maintains approximately 60 acres of recreational open space. The City's Recreation Department operates numerous classes, projects and trips for the Menlo Park residents and cooperates with the school districts to provide neighborhood and community play facilities and programs available year-round.

The Menlo Park Civic Center - Burgess Park Complex consists of the Council Chambers, Administration Building, Police Station, Library, Recreation Center, Burgess Theater, and about 12 acres of park land, all of which provides various community facilities and services.

The City of Menlo Park owns and operates one library and is a member of the Peninsula Library System.

The City's water comes from the City of San Francisco-operated Hetch-Hetchy system, and for the most part is delivered by either the Menlo Park Municipal Water Department, the California Water Service Company, or the O'Connor Tract Mutual Water Company.

A private company, Browning-Ferris Industries, presently provides waste collection service to the subject area. This company in turn contracts with the South County Garbage and Refuse Disposal District for the disposal of waste at the district's site. The district operates and maintains their solid waste disposal site at the end of Marsh Road in Menlo Park.

Planning services to the City are provided by the Community Development Department. The department has a staff of seven and is responsible for Planning, Building Inspection and Code Enforcement, Housing Programs, Zoning, Signs and Environmental Beautification.

The City's Public Works Department is responsible for maintenance of all City Facilities, Parks and Grounds, Vehicles and Equipment, Trees and Shrubs, Streets and Storm Drains.

The City's gas and electricity are supplied by the Pacific Gas and Electric Company, a private corporation, through its integrated transmission and distribution networks. Planning for the generation of power and the supply of gas is provided by the utility.

4.4 ANNEXATION OF ALL OR PART TO PALO ALTO

The annexation of all or part to Palo Alto alternative to be analyzed in the sphere of influence study will evaluate the feasibility of adjusting the San Mateo and Santa Clara County boundary line. The consideration of this alternative will require close coordination and cooperation between San Mateo LAFCo and Santa Clara LAFCo, San Mateo County and Santa Clara County, Menlo Park and Palo Alto. The mechanics of adjusting a county boundary are provided for in the California Statutes. The two alternative procedures are summarized in Appendix C of the EIR. If these procedures prove unworkable or too difficult to impliment, in the situation at hand, it may be possible for the California Association of Local Agency Formation Commissions (CALAFCO), the County Supervisors Association of California (CSAC), or the League of California Cities to sponsor legislation to make the procedure more workable.

In addition to annexation of the entire East Palo Alto area to Palo Alto, separate consideration will be given in the sphere of influence study to annexation of only the area East of University Avenue. Annexation of the area West of University Avenue to Menlo Park will be considered as the reciprocal of this alternative and will be considered as part of Alternative 3, Annexation of All or Part of East Palo Alto to Menlo Park.

The City of Palo Alto, in the event that this alternative is recommended by staff, would be responsible for the extension of municipal services to all or part of the area. Palo Alto is a full-service city that provides a complete range of urban services to residents. In order to establish a framework for discussion of the environmental impacts of this alternative in Section 5.4 of this EIR, a brief description of the public services offered by Palo Alto is included in the following pages.

The City of Palo Alto's Police Department provides police services to its residents. The department maintains a 107.5 person staffing level. The department is responsible for Administration, Support Services, Field Services, Training, Community Services, Investigation and Traffic Control.

Palo Alto has a Fire Department staffed by 118 persons. The Palo Alto Fire Department operates seven fire stations at various locations around the City. The department is responsible for Administration, Fire Suppression, Research and Training, Paramedic, and Fire Prevention Services.

The City of Palo Alto's Social and Community Services Department is responsible for Administration, Arts and Sciences, Library, Nature and Science and Recreation Services. The Library System operated by the City maintains five branch facilities. The Recreation Department is responsible for five subprograms: Administration, Special Interest Programs, Athletics and Fitness, Facility Operations and Golf Course Operations.

The Planning and Community Environment Department is responsible for Planning, Transportation, Inspectional Services, Building and Code Enforcement.

The Public Works Department is responsible for Administration, Engineering, Streets, Parks and Open Space Management and Refuse. The Engineering Office is responsible for administering the City's Capital Improvement Program. The Streets Division maintains Streets and is also responsible for Street Lights and Storm Drainage. The Parks and Open Space Management Division manages Natural Resources, e.g., Wetlands and Foothills, maintains Trees, Electric Line Clearing, General Park and Parkway Maintenance and Utilities Landscaping.

The City of Palo Alto operates its own Utilities Department that provides gas and electric, sewer, and water services to City residents. The City has its own municipally operated Electric Power Operation and since 1964 has bought all of its electri-

city from the Western Area Power Administration (WAPA) of the Department of Energy (DOE). The purchase contract ends in the year 2004.

Palo Alto used about 788 million kilowatt hours in 1978. WAPA's electricity is primarily hydroelectric and is cheaper than if it were purchased from Pacific Gas & Electric Company (PG&E). Palo Alto will need sources of electricity in the mid 1980's when WAP's capacity is exceeded. A curtailment plan and related regulations are available for short-term supply emergencies. The City buys all its natural gas on contract from PG&E. Unit rates for gas and electricity are lower than those charged by PG&E to customers in adjacent cities.

Palo Alto owns and operates a landfill for disposal of solid waste, commonly called refuse or garbage. Around 250 tons of solid waste are produced each day in Palo Alto. Most of this waste is collected by the Palo Alto Sanitation Company, with a large portion of the remainder delivered by City employees or residents. Palo Alto's landfill is scheduled to close as soon as possible, but no later than 1998.

Sewer services to Palo Alto residents are also provided by the Utilities Department. The department is responsible for the collection, treatment, and disposal of domestic and industrial wastes generated within the service area of the Palo Alto Regional Water Quality Control Plant. Additionally, the department is responsible for the operation of the four million gallons

per day Santa Clara Valley Water District Reclamation Plant. The department further is responsible for new and replacement mains and service laterals.

Water service to Palo Alto is also provided by the Utilities Department. The City of Palo Alto's water supply is purchased from the City of San Francisco's Hetch-Hetchy Water System. The department also purchases and sells reclaimed water from the Santa Clara Valley Water District's facility located at the treatment plant.

In the event that this alternative is recommended by LAFCo staff in the sphere of influence study, and adopted by the County of Santa Clara will also be required to extend public services to East Palo Alto. Public services are presently provided by San Mateo County. These services would include Health, Transportation, Social Services, Criminal Justice, Consumer Affairs and Land Development. The fiscal and economic effect of which county provides these services will be analyzed by LAFCo staff in the sphere of influence study. Both the impact on San Mateo County, from a decreasing economy of scale standpoint, and the impact on Santa Clara County from an increasing economy of scale standpoint, will be analyzed. LAFCo staff will be working closely with San Mateo and Santa Clara County staffs to ascertain the ramifications of this alternative.

5. IMPACTS OF ALTERNATIVE ORGANIZATIONAL STRUCTURES UPON AREAS OF ENVIRONMENTAL SIGNIFICANCE

The preceding four sections of the EIR have introduced and summarized the report, provided a description of the project, established the base conditions within which the impacts on the areas of environmental significance may be evaluated, and provided a framework for the four alternative organizational structures to be analyzed in the sphere of influence study.

This section focuses on the four alternative forms of organizational structure to be considered in the sphere of influence study. It identifies the environmental impacts of each alternative with regards to the study area and area residents. It describes the possible benefits and detriments of each alternative within a governmental, municipal service, environmental, social, economic, and geographic framework. It proposes mitigation measures to minimize the significant effects of the project. It identifies significant environmental effects which cannot be avoided for each alternative. It establishes the relationship between the achievement of short-term and long-term environmental goals. It identifies irreversible environmental changes associated with the project, the adoption of a sphere of influence designation for the study area, and the implementation of the recommendation contained therein.

To reiterate the four alternative forms of organizational structure to be considered in the sphere of influence study are as follows:

1. Status quo - No project
2. Incorporation of East Palo Alto
3. Annexation of all or part to Menlo Park
4. Annexation of all or part to Palo Alto

This section of the EIR is focused on the following environmental elements found to be significant in the initial study:

- o Population
- o Housing
- o Transportation/Circulation
- o Public Services
- o Fiscal Effects
- o Utilities
- o Aesthetics
- o Recreation
- o Mandatory Findings of Significance

5.1 STATUS QUO

The dictionary defines status quo as "the condition or state in which a person or thing is or has been." The impact on areas of environmental significance, listed above, if the staff recommends and the Commission approves a "status quo" assignment in the sphere of influence study, are basically a continuation of current practices. If a continuation of the existing situation means a continuation of adverse environment impacts on areas of environ-

mental significance, then the adoption of a "status quo" sphere of influence for East Palo Alto by the members of the Formation Commission could be said to have a significant impact on the environment.

5.1.1 IMPACT ON POPULATION

The adoption of a status quo sphere of influence for the East Palo Alto community would most probably mean a continuation of the Population Base Conditions as outlined in Section 3.2.3, page 41, of this EIR.

The impact on population would be the continued isolation of a predominantly minority community, with many households of extremely modest means, a relatively high number of large families, numerous single-parent families, higher than average unemployment rates, a high proportion of the labor force in "blue collar" employment and a high rate of crime from some of the most affluent, predominantly white communities in the nation.

Mitigation Measures

- A. It is not possible to avoid a significant impact on the community's population characteristics if "status quo" is recommended in the Sphere of Influence Study and approved by LAFCo.

5.1.2 IMPACT ON HOUSING

The adoption of a status quo sphere of influence for the East Palo Alto community would most probably mean a continuation of the housing situation as outlined in the Base Conditions Section

3.2.1, page 34. The community is predominantly single-family homes in the East of Bayshore region and multi-family structures in the West of Bayshore region. Most of the housing was constructed in the 1950's and a sizable proportion are now in need of maintenance or rehabilitation. The already "tight" new and used housing market can be expected to continue. The rental housing market will continue to be "tight" as more and more lower income families compete for the same rental units.

Mitigation Measures

- A. Encourage housing rehabilitation and redevelopment in East Palo Alto's residential neighborhoods.
- B. Encourage new housing construction in East Palo Alto.

5.1.3 IMPACT ON TRANSPORTATION/CIRCULATION

The impact of the status quo alternative on transportation/circulation programs in East Palo Alto will largely depend upon the East Palo Alto Community Plan. The community is in need of public transit because, according to data in the 1970 Census, East Palo Alto has large portions of families, children and seniors. Groups which make up the major categories of transit users: shoppers, students and seniors. Commuters, recreators and the handicapped are also users of public transit in East Palo Alto.

Automobile, bicycle, and pedestrian transportation is also of primary consideration. East Palo Alto residents are dependent on outside communities for goods and services, therefore all these forms of transportation need to be adequately provided for.

A number of road projects are required in the community, in addition to the already ambitious construction program initiated by the County of San Mateo. These projects include both reconstruction of existing roads and construction of entirely new roads in order to utilize land more efficiently. Streets in the Palo Alto Park area are in poor condition and lack curbs and gutters. These 5.37 miles of streets are considered in need of repair by the County Public Works Department. However, if these streets are brought up to minimum county standards, right of ways will reduce both property boundaries and parking space on already narrow streets. It may also change the rural character of the area.

The new Dumbarton Bridge approaches will have a significant impact on transportation/circulation in East Palo Alto if status quo is recommended in the sphere of influence study and approved by LAFCo. Plans for the Dumbarton Bridge approaches will give access to the area through University Avenue. Consideration is also being given to a direct, one-way access to this industrial area and an alternative bridge approach which would give direct access to the area from Highway 101 at Embarcadero Road ("Southern Connection").

Mitigation Measures

- A. Provide sufficient access to community facilities and services.
- B. Ensure adequate access to regional transit and other local systems.
- C. Improve streets to provide adequate transportation routes for cars, bicycles, buses, and pedestrians.
- D. Develop and approve a Dumbarton Bridge connection that will adequately provide access to the industrial park and proposed

marina, but not inflict heavy vehicular traffic on residential streets.

5.1.4 IMPACT ON PUBLIC SERVICES

The impact of a status quo recommendation and adoption in the sphere of influence study would be a continuation of public services provided primarily by eight special districts and various departments of the San Mateo County government (See Table 10 , page 54).

The level of service provided by these agencies, with the exception of the Ravenswood Recreation and Park District, is generally equivalent to other urban areas in San Mateo County. The level of service provided by the Recreation and Park District is sub-standard. In some cases, the level of service is higher because of specific problems in East Palo Alto, such as high crime rate, relatively high rate of fires and medical emergencies, and high dog population. The Sheriff's Department has, however, been accused of being unresponsive to the needs of the East Palo Alto Community.

The East Palo Alto Municipal Council serves as an interface between the residents and the public service providers. Over the years, the council has engaged itself in negotiating with the districts and the county regarding public services. Because of the commitment of most of the special districts and San Mateo County, East Palo Alto for the most part enjoys good public services.

The Capital Improvement Programs (CIP's) of the main service providers are directed at upgrading municipal facilities, including roads, water supply, drainage, and sanitary sewers. A conclusion of the Fiscal Analysis concerning municipal facilities was that a number of problems exist with present facilities. The projects presently under construction during the next five years should eliminate most of the problems.

Two major problems are not addressed in current capital improvement programs. First, a number of road projects are required, in addition to the already ambitious construction program. These projects include both reconstruction of existing roads and construction of entirely new roads in order to utilize land more efficiently. Second, the water distribution system in some areas is deteriorating because of corrosion. The system must be protected from this problem, or major new costs for replacing the corroded pipes will be required.

Mitigation Measures

- A. The possibility of contracting for police services with either Menlo Park or Palo Alto should be explored.
- B. The County Public Works (CIP) for the East Palo Alto Community should be completed for those projects underway during the next five years. In addition street upgrading and widening should be completed and all streets should be brought up to minimum county standards.

- C. The water system must be protected from corrosion, and new pipes must be installed.
- D. Sewer lines must be adequately maintained and should be routinely checked for adequacy.
- E. The East Palo Alto Community Plan should be completed and approved by the East Palo Alto Community and San Mateo County as soon as possible, and used as a basis for future planning activities.

5.1.5 FISCAL IMPACT

The Fiscal Analysis provides a summary of existing costs and revenues for municipal services provided to the East Palo Alto community. This summary is reproduced in this EIR as Table 11 , page 78.

Agencies responsible for municipal services in East Palo Alto expended an estimated \$3,793,800 during 1978-79 for services in East Palo Alto. Total revenue generated in East Palo Alto during the same period is estimated at \$2,908,100, not all of which was allocated to these municipal services. (See Table 11, page 78). This indicates a present revenue shortfall. Some of the shortfall was offset by the state bailout funds in 1978-79, and some was offset by federal grants, both general revenue sharing and Housing and Community Development Act block grants. The balance of costs not covered by local revenue represents a subsidy to East Palo Alto by other areas of San Mateo County.

The clearest case of a revenue subsidy was for police services, where the combined expenditures of the San Mateo County Sheriff's Department and the California Highway Patrol in East Palo Alto exceeded the local contribution for these services by nearly four times.

San Mateo County's housing and community development program received \$3,674,000 of HCDA block grant funds in 1978-79. HCDA grants are based on county statistics related to per capita income, unemployment, and substandard housing. East Palo Alto

Table 11

SUMMARY OF EXISTING COSTS AND REVENUES
EAST PALO ALTO

| Municipal Service | Separable Maintenance & Operation Costs 1978-79 | Revenues (1978 - 1979) | | | | |
|----------------------------------|---|-------------------------------------|----------------------|-----------------------------------|--|----------|
| | | County or District Gen. Funds | Fees, Assessments | Federal Grants, Subventions | State Grants, ¹ Subventions | Other: |
| Police | \$1,472,076 | \$ 985,406 | -0- | \$119,371 | \$367,299 | -0- |
| Fire Protection | 462,300 | 272,957 | -0- | -0- | 189,543 | -0- |
| Roads | 88,100 | -0- | -0- | -0- | 88,100 | -0- |
| Drainage | 22,640 | 21,704 | -0- | -0- | 336 | \$ 600 |
| Lighting | 61,409 | 29,014 | -0- | -0- | 32,395 | -0- |
| Water Service | 642,305 | 30,805 | \$604,500 | -0- | -0- | 7,000 |
| Sanitary Services | 280,801 | 105,102 | 158,728 | -0- | 6,971 | 10,000 |
| Local Parks and Recreation | 169,678 | 60,943 | 4,360 | 2,207 | 102,168 | -0- |
| Library | 158,276 | 132,691 | 429 | -0- | 25,156 | -0- |
| Planning & Building Inspection | 36,150 | 20,204 | 14,463 | 1,065 | 200 | 220 |
| Animal Control | 8,441 | 4,043 | 4,398 | -0- | -0- | -0- |
| East Palo Alto Municipal Council | 231,200 | 123,067 | -0- | 108,133 | -0- | -0- |
| Refuse Disposal | 160,466 | -0- | 160,466 | -0- | -0- | -0- |
| TOTAL | \$3,793,842 | \$1,785,736 | \$947,344 | \$230,774 | \$812,168 | \$17,820 |

1. Includes the state SB 154 "bail out" funds intended to offset the impact of Proposition 13.

Source: McDonald & Associates

accounts for \$411,000 or 11 per cent of the total county entitlement. In 1978-79 HCDA funds appropriated in East Palo Alto were \$600,000 or 20 per cent of the countywide entitlement.

Mitigation Measures

- A. In the case of the service receiving the largest subsidy, police services, the potential cost savings of contracting with a neighboring city, e.g., Menlo Park or Palo Alto, should be explored.
- B. In general, the tax base of East Palo Alto should be enhanced by encouraging industrial, a mix of residential, and commercial development in the community. Further, by rehabilitation and community development efforts the housing stock should be upgraded, where grossly deficient.

5.1.6 IMPACT ON UTILITIES

The impact on public utilities should "status quo" be recommended by staff and adopted by the Commission would not be significant. Power and natural gas would continue to be provided by the Pacific Gas and Electric Company. Water and sewer services would still be provided by special districts. Communications systems would still be in place. Storm drainage would continue to be provided by the various drainage districts. Solid waste collection and disposal would still be provided and financed by means of County Service Service Area No. 5.

5.1.7 IMPACT ON AESTHETICS

The impact on aesthetics should "status quo" be recommended by staff and adopted by the Commission would be significant.

The community's aesthetics would definitely be changed by the selection of this alternative. An example of such a change is the continued deterioration of the Nairobi Shopping Center due to gross abuse over the years.

Mitigation Measures

- A. Select a reorganizational alternative that will have environmental effects that will not cause substantial adverse impacts on property and on human beings.

5.1.8 IMPACT ON RECREATION

The impact on recreation should "status quo" be recommended by staff and adopted by the Commission would be significant. The district is not effectively providing Recreation and Park Services to the community. In many respects the district's services are substantially below area, regional, and national standards.

Mitigation Measures

- A. The level of services and facilities provided by the Ravenswood Recreation and Park District should either be upgraded or an alternative service provider should be designated.

5.1.9 IMPACT ON MANDATORY FINDINGS OF SIGNIFICANCE

The impact on this area should "status quo" be recommended by staff and adopted by the Commission could be significant. Taking no action would have the effect of ensuring a continuation of the present situation. This could have a short-term advantage for some, i.e., the problem could be ignored, but would be to the

disadvantage of long-term environmental goals. The problems outlined in previous sections could continue to degenerate and become more serious if a proactive solution is not found.

Mitigation Measures

- A. Select a reorganizational alternative that will have environmental effects that will not cause substantial adverse impacts on property and on human beings.

5.2 INCORPORATION OF EAST PALO ALTO

In this part of the EIR, the impacts of recommending incorporation of East Palo Alto in the sphere of influence study on areas of environmental significance will be reviewed. Whenever possible, mitigation measures will be presented to lessen the impact on the areas of environmental significance. The impacts will be reviewed assuming three boundary alternatives; 1) CSA #5 2) Detachment of South of Willow Road and subsequent annexation to the new city of East Palo Alto, and 3) Incorporation of East Palo Alto without the West of Bayshore Freeway area.

5.2.1 IMPACT ON POPULATION

Assuming CSA #5 boundaries, the population of East Palo Alto, if incorporation is approved by LAFCo, the Board of Supervisors and the electorate, should not change substantially from current projections. These are established in the Base Conditions, Section 3. To incorporate, East Palo Alto needs to develop its commercial and industrial base. This will not increase population.

However, it may displace the residents of certain residential areas if care is not taken to protect the integrity of residential neighborhoods by the harmonious development of commercial and industrial land uses.

Population characteristics should not change substantially if incorporation is approved utilizing the boundaries of CSA #5. Again, these characteristics are established in the Base Conditions, Section 3.

Detachment of the South of Willow Road area and subsequent annexation to the proposed new city of East Palo Alto (CSA #5 boundaries) would not impact population. The area is industrial and wetlands. The Sunset Meadows Residential Subdivision was once proposed to be developed on 70 acres in the area, with an estimated 2,000 persons. However, the developer has abandoned plans and no alternatives have been proposed.

Incorporation of East Palo Alto without the West of Bayshore Freeway area would have a significant impact on the population of the new city. As established in the Base Conditions, the population of East Palo Alto, according to the 1970 Census, is 17,837. Of this total 2,992 or 16.8 per cent reside in the West of Bayshore Freeway area.

The ethnic characteristics of East Palo Alto would also be significantly impacted if the area West of Bayshore was excluded from the proposed new city. Although the population of the area

West of Bayshore accounts for 16.8 per cent of the total East Palo Alto population, East and West of Bayshore have an equivalent number of white persons -- 2,452 in the East of Bayshore and 2,420 in the West of Bayshore. However, the white population in the East of Bayshore area comprises 16.5 per cent of the 14,845 persons in the area, whereas in the West of Bayshore the white percentage equals 80.9 of the 2,992 persons. Therefore, excluding the West of Bayshore from the new city would, therefore, decrease the white population by approximately 50 per cent.

Currently, the black population of East Palo Alto comprises 61 per cent of the entire community. Without the West of Bayshore area this percentage would consequently increase to approximately 72 per cent. Black residents comprise only 6.6 per cent of the population West of Bayshore.

Spanish Americans account for 6.4 per cent of the entire East Palo Alto community. Of these residents, 5.1 reside in the East of Bayshore area. Excluding the West of Bayshore area from the proposed new city would mean that the percentage of Spanish American residents would increase to 6.1 per cent of the 14,845 residents East of Bayshore.

The proposed new city of East Palo Alto contains a much higher percentage of ethnic minorities than any of the other neighboring cities of the Mid-Peninsula. Incorporation of East Palo Alto under any of the three boundary variations could significantly

impact the environment by further serving to isolate a predominantly minority community, with many households of extremely modest means, a relatively high number of large families, numerous single-parent families, higher than average unemployment rates, and a high proportion of the labor force in "blue collar" employment and high rate of crime from some of the most affluent predominantly white communities in the nation.

Mitigation Measures

- A. Under any of the three boundary variations discussed in this section it is not possible to avoid a significant impact on the community's population if incorporation is recommended in the Sphere of Influence Study and approved by LAFCo.

5.2.2 IMPACT ON HOUSING

The East Palo Alto area is predominantly residential in nature. 50.3 per cent or 837 acres are developed as residential dwelling units. Approximately 15 per cent of the land in East Palo Alto has future development potential. There are four primary areas with development potential: 1) the frontage road along the Bayshore Freeway, both east and west of the freeway, 2) the Ravenswood High School site, 3) the existing wrecking yards as an industrial park, and 4) the shopping center. The frontage road has some potential for multi-family development. The remaining areas have potential for commercial, industrial or institutional uses.

It is difficult to assess the impact on housing if incorporation is the alternative recommended by LAFCo staff to the Formation Commission. However, a harmonious development concept that protects the integrity of residential neighborhoods, while encouraging commercial and industrial development has been proposed by the County Planning Division. The impact of incorporation on housing will be that commercial and industrial development will probably be preferred over more residential development. This will not help in relieving the severe jobs/housing imbalance in the Mid-Peninsula.

East Palo Alto is one of the few areas in San Mateo County where persons of low and moderate income can afford to live. The impact on affordable housing, therefore, could be significant if enhancement of the tax base is a prerequisite to incorporation.

The area West of the Bayshore Freeway is predominantly multi-family dwelling units. An effort has been made to convert apartments in this area to condominiums. This could provide more property tax revenues to the proposed incorporated city of East Palo Alto because since Proposition 13, property may be reassessed at market value when sold. All other property, apart from that purchased after 1975-76, is valued at the 1975-76 value, adjusted by 2 per cent per year. However, converting apartments to condominiums could have the effect of displacing persons of low and moderate income who cannot afford to purchase a home. The impact on persons in this category would therefore be significant.

Mitigation Measures

- A. Encourage housing rehabilitation and redevelopment in East Palo Alto's residential neighborhoods.
- B. Protect the integrity of existing and potential residential neighborhoods by harmonious development of commercial and industrial property. Incorporation efforts should not be to the detriment of residential development.
- C. Encourage the preservation of affordable housing in East Palo Alto and improve the quality of existing housing.
- D. Give extensive consideration to applications to convert apartments to condominiums so as to lessen the displacement effect on persons of low and moderate income.
- E. Encourage higher income housing to balance the East Palo Alto community and generate new income.

5.2.3 IMPACT ON TRANSPORTATION/CIRCULATION

Transportation in East Palo Alto may be divided into four components; public transit, automobile, bicycle, and pedestrian transportation. The East Palo Alto Community Plan will contain a "Circulation Plan" to guide the future decision-making in this area in the community. The public transit system for the community of East Palo Alto should provide access to facilities and services within the community as well as access to facilities and services outside. Because East Palo Alto residents are dependent on outside communities for goods and services, adequate public transportation is essential. The transit service also provides linkage with other local and with regional transit systems.

SAM TRANS has assigned a high priority to transit service in East Palo Alto because of the large concentrations of elderly, handicapped, low income, and others without access to private automobiles.

The Southern Pacific Transportation Company owns the track and right-of-way and operates service on the railroad spur in East Palo Alto. This spur is used once a month by one firm and periodically by another in the Bay Road Industrial Park. Plans for continued service on the spur are considered on a yearly basis and although Southern Pacific would recommend removal of it, requests from the community and the possible expansion and upgrading of the industrial park encourage them to maintain this minimal service.

The Palo Alto Municipal Airport is under the jurisdiction of Santa Clara County. A County Airport Master Plan is being developed by county consultant Hodges and Shutt in Santa Rosa. The completion data for the plan is December, 1980. When the plan is completed information will be available on future plans of the airport and existing and future impacts on the East Palo Alto community.

The street system in East Palo Alto consists of 38.07 miles of roads and streets. Of these, 8.35 miles are of the select system and 29.72 are on the minor street system. The Public Works Department of San Mateo County is presently responsible for a Road Improvement Program which is delineated in the Capital Improvement Program (CIP). The CIP includes capital improvement projects that are programmed over a five-year period.

Streets in the Palo Alto Park area lack curbs and gutters and are in poor conditions. These 5.37 miles of streets are considered in need of repair by the County Public Works Department. However, if these streets are brought up to minimum county standards right of ways will reduce property boundaries and reduce parking on already narrow streets and will change the rural character of the area.

If incorporation is recommended by staff and approved by LAFCo, the impact on the CIP will be significant. East Palo Alto has experienced a number of problems in this area. Street construction, repair and maintenance would become the responsibility of the new city of East Palo Alto. However, current improvement programs planned or under construction would be completed by the San Mateo County Public Works Department.

The new Dumbarton Bridge approaches will have a significant impact on transportation/circulation in East Palo Alto, especially if incorporation is recommended in the Sphere of Influence Study and approved by LAFCo. Plans for the Dumbarton Bridge approaches will give access to the area through University Avenue. Consideration is also being given to a direct, one-way access to this industrial area and an alternative bridge approach which would give direct access to the area from Highway 101 at Embarcadero Road ("Southern Connection").

Depending upon which Dumbarton Bridge connection alternative is finally selected, the impact on East Palo Alto's incorporation feasibility could be great. East Palo Alto needs to enhance its tax base and a direct University Avenue or Southern Connection could significantly improve the potential for additional commercial and industrial development.

As a practical matter, however, the possibilities of a Southern Connection are remote. The City of Palo Alto has made it clear that the City would not bend to any Southern Connection to the bridge. On the other hand, the East Palo Alto Municipal Council has expressed fear that a University Avenue connection would essentially cut the community in half. The Council argues that a Southern Connection is essential for a viable industrial park and would also aid the proposed development of a marina at Cooley Landing.

The detachment of the South of Willow Road from Menlo Park and subsequent annexation to East Palo Alto, or incorporation of East Palo Alto without the West of Bayshore, will not significantly change the impacts on transportation/circulation described above.

Mitigation Measures

- A. Ensure transportation/circulation policies that after incorporation adequately serve the diverse needs of the community.
- B. Provide sufficient access to community facilities and services.
- C. Ensure adequate access to regional transit and other local systems.

- D. Improve streets to provide adequate transportation routes for cars, bicycles, buses, and pedestrians.
- E. Develop and approve a Dumbarton Bridge connection that will adequately provide access to the industrial park and proposed marina but not inflict heavy vehicular traffic on residential streets.

5.2.4 IMPACT ON PUBLIC SERVICES

When reviewing the impact of the incorporation of East Palo Alto alternative on areas of environmental significance, the impact on Public Services is of considerable importance. An inventory of existing Public Services provided to East Palo Alto is included in Section 4, page 54 , of this EIR. A summary of existing costs and revenues is provided in Section 5, page 78 .

To determine a point of departure for establishing the services to be provided by a new city, it is important to note that California Counties are required to provide certain countywide services, such as health and welfare. Other services are provided by the County only in unincorporated areas. If incorporation is recommended, it should be assumed that the responsibilities for these latter services will fall upon the new city. These services include the following:

- o General government; that is, the broad legal responsibility for community governance, ordinances, etc.
- o Police protection, now provided by the Sheriff and, in terms of traffic patrol, the California Highway Patrol (CHP). After incorporation, the CHP would patrol only freeways within the City.

- o Roads and related public works services, (County would remain responsible for completion of current capital improvement program).
- o Community development, here defined to include planning and building inspection.
- o Animal regulation.
- o Civil defense.

A community may receive or desire many other local public services. In unincorporated areas these services are typically usually provided by cities, although special districts may serve city areas. In East Palo Alto this group includes:

- o Fire protection, now provided by the Menlo Park Fire Protection District.
- o Water supply, now provided by the East Palo Alto County Waterworks District #3, a dependent county district.
- o Parks and recreation, now provided by the Ravenswood Recreation and Park District.
- o Street lighting, now provided by the Ravenswood Highway Lighting District, a dependent county district.
- o Sanitary and waste disposal, now provided by two special districts, the East Palo Alto Sanitary District (which serves most of the community) and the Menlo Park Sanitary District.
- o Flood control, now provided by the Ravenswood Slough Flood Control Zone, the East Palo Alto Drainage Maintenance District, the Palo Alto Gardens Drainage Maintenance District and the San Francisquito Creek Flood Control Zone.

- o Library service. East Palo Alto is currently served by the San Mateo County Library District.
- o Garbage collection, now provided by San Mateo County by means of County Service Area No. 5.

Certain countywide and regional services would continue to be provided to the East Palo Alto community if incorporation is recommended by staff and approved by the Formation Commission.

These would include the following:

- o Social Services
- o Health Services
- o Courts and Criminal Prosecution
- o Regional Parks
- o Voter Registration and Election Administration
(City is responsible for cost of municipal elections.)
- o Transit
- o Other Governmental Services
 - Assessor
 - Treasurer
 - Recorder
 - Etc.
- o Emergency Medical Service
- o Community College

The Fiscal Analysis assumes two service levels for incorporation. These two service levels will be used by LAFCo staff in the Sphere of Influence Study under the three proposed boundary options. The framework for Alternative A and Alternative B is

set forth in Section 4.2 of this EIR. The three boundary options are also defined in that section of the report.

The Fiscal Analysis provides an inventory and description of major municipal service providers. Rather than duplicate the extensive work of the consultant in this area, pages 17 through 46 inclusive of the Fiscal Analysis are hereby incorporated by reference in this EIR.

The actual boundaries of the proposed new city government costs, and type and level of government services to be delivered by the new city of East Palo Alto would only be made clear by an actual incorporation proposal. However, as previously mentioned, the Fiscal Analysis sets forth two basic alternatives as far as the delivery of public services is concerned. Alternative A represents a city of East Palo Alto which delivers only the legally required city services. Alternative B represents a city offering a fuller range of services. The proposed service levels for both alternatives were intended by the consultant to maintain or improve existing service levels, although no major new service expansion was included.

Several assumptions were made by the consultant, concerning the form, requirements and size of a city government for East Palo Alto. One assumption was that a council-manager form of government would be adopted by East Palo Alto. Other important assumptions related the great diversity in number and types of

municipal services provided by California cities. Some cities provide virtually every municipal service, while other cities provide only the legal minimum and leave major services to other agencies such as special districts. The decision of whether to pursue a more full-service role depends upon:

- o The relative costs and efficiency between the existing situation and a new city service;
- o How much local centralized control is desired;
- o The adequacy of the present services;
- o The relative difficulty of changing the existing arrangements at the time of incorporation.

A less than full-service city has two major avenues available for provision of municipal services: service contracts with other agencies or private companies and continuation of special districts after incorporation.

The decision to utilize service contracts depends upon two conflicting factors: the potential cost and efficiency advantage versus the need to maintain city control over the administration of the service. The recent trend in California cities has been toward service contracts for at least several municipal services. Even with extensive contract services, a city government is still obliged to maintain a council and a city administration. For purposes of the Fiscal Analysis service contracts were included for several relatively minor services.

The decision to continue with existing service providers such as special districts, is similar to the decision to utilize service contracts. When the services of one or more special districts are not absorbed by the new city, the costs and revenues of those agencies do not show up in the city's budget. This is an advantage to the city's budget-makers, but the residents of the city pay for the services nonetheless. Absorption of special districts by a new city may result in a reduction of total service costs in the community because of the potential efficiency of the larger organization. The city may also benefit from being a more full-service city by recording a larger fiscal effort, which is a factor in eligibility for federal grants such as general revenue sharing. Regardless of the advantages of absorbing special districts, there are many potential problems with the actual mechanics (and politics) of a take over. Boundaries are critical. If a district boundary is within or conterminous with the proposed city boundaries, the problems are reduced. If detachment from a larger district is required, major problems are created, including the viability of the district that has been reduced.

For purposes of the Fiscal Analysis, the consultant decided to handle the issue of the number of services to be provided by the new city by offering two alternatives. Existing cities of comparable size were surveyed for fiscal and service information. The results were that under Alternative A, legally required services only, the City of East Palo Alto was assumed to be a general law, council-manager city. It would assume responsibility for the following services:

- o General Government
- o Police Protection
- o Street Maintenance
- o Planning and Building Inspection
- o Animal Control
- o Civil Defense
- o Garbage Collection

These services could be provided directly by the city or provided through service contracts. For purposes of the Fiscal Analysis, it was assumed that all the services would be performed by city personnel except engineering services, legal services, animal control, civil defense and garbage collection. The level of service proposed is generally set at existing levels. Where a substandard level of service presently exists, an additional increment of service is proposed. The city staff proposed should generally be considered a core staff. Many cities have employees financed by CETA or specific federal grants. These programs will undoubtedly exist in East Palo Alto but are not specifically identified. Details of Alternative A are reproduced in Table 12, page 98, of this EIR.

The Alternative B City of East Palo Alto is assumed in the Fiscal Analysis to be a general law, council-manager city similar to the Alternative A City. The Alternative B City would, however, be responsible for a broader range of services that include the following:

- o General Government
- o Police Protection

- o Planning and Building Inspection
- o Water Service
- o Sanitary Services
- o Street Maintenance
- o Drainage Maintenance
- o Street Lighting
- o Parks and Recreation
- o Animal Control
- o Civil Defense
- o Garbage Collection

Table 12
DETAILS OF INCORPORATION ALTERNATIVE A, EAST PALO ALTO

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|---|---|---|--|--|--|
| General government | San Mateo County Government East Palo Alto Municipal Council | East Palo Alto City Government | Slightly reduced effort Direct cost savings | City general fund Costs applied from special funds and grants | Increased local autonomy and political responsiveness |
| Planning, building inspection, ordinance administration | San Mateo County Department of Environmental Management East Palo Alto Municipal Council | East Palo Alto Community Development Department | Reduced effort Direct cost savings Small loss of property tax and fee revenues | City general fund Permit and service fees Grants | Potential for improved ordinance enforcement |
| Police services | San Mateo County Sheriff's Dep't (County Service Area No. 5) California Highway Patrol | East Palo Alto Police Department | Reduced effort Direct cost savings Loss of property tax proportional to CSA #5 share of local prop tax Co. Service Area No. 5 dissolved | City general fund | Service level would generally be maintained. Loss of CHP traffic control will cause additional workload for new police department. |
| Streets | San Mateo County Public Works Department | East Palo Alto Community Development Department | Reduction in maintenance effort County retains responsibility for capital improvements planned or under construction | Gas tax Vehicle code fines Federal grants | No significant effects |

Table 12
Alternative A, continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|----------------------------|--|--|---|--|--|
| Local parks and recreation | Ravenswood Recreation and Parks District | Same as current provider | None | Current provider would continue with existing revenue sources | None |
| Library | San Mateo County Library | Same as current provider | None | Current provider would continue with existing revenue sources | None |
| Animal control | Peninsula Humane Society | Same as current provider, but under contract to East Palo Alto | Peninsula Humane Society would continue with city instead of county | Current provider would continue with existing revenue sources | None |
| Garbage collection | San Mateo County (County Service Area No. 5) | City of East Palo Alto (contract service) | CSA #5 dissolved | Fees adequate to cover cost of contract service and administration | None |
| Street lighting | Ravenswood Highway Lighting District | Same as current provider | None | Benefit assessment paid by property owners | None |

Table 12
Alternative A, continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT ON INCORPORATION ON SERVICE LEVEL |
|-------------------|--|--|--|---|--|
| Sanitary sewers | East Palo Alto Sanitary District Menlo Park Sanitary District | Same as current providers | None | Current providers would continue with existing revenue sources | None |
| Water supply | East Palo Alto Water District Private water companies | Same as current providers | None | Current providers would continue with existing revenue sources | None |
| Drainage | East Palo Alto Gardens Drainage Maintenance Dist. East Palo Alto Drainage Maintenance Dist. Ravenswood Slough Drainage Maintenance Dist. | Same as current providers | None | Current providers would continue with existing revenue sources or convert to a benefit assessment | None |
| Fire protection | Menlo Park Fire District | Same as current provider | None | Current provider would continue with existing revenue sources | None |

Table 12
Alternative A, continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|----------------------------|--|---|--|--|--|
| Civil defense | San Mateo County Civil Defense | Same as existing provider, but under contract to East Palo Alto | San Mateo County Civil Defense would contract with city for services | City general fund | None |
| Emergency Medical Services | Menlo Park Fire District San Mateo County (contract with Medevac) | Same as existing providers | None | Current providers would continue with existing revenue sources | None |

Source: Fiscal Analysis

Although these services could be provided through service contracts, in this analysis it was assumed that all services would be provided directly by the city except, engineering services, attorney services, animal control, civil defense, garbage collection, and park maintenance and street lighting. Similar to the Alternative A city, the proposed level of service is generally set at existing levels. Where a substandard level of service presently exists, an additional increment of service is proposed. Also like Alternative A, the proposed city staff would be augmented by staff and programs funded by specific federal grants such as CETA. Details of Alternative B are reproduced in Table 13 , page 103, of this EIR.

The impacts of the incorporation alternative on the provision of public services would be less under Alternative A than under Alternative B. This is because many of the special districts currently providing services to the East Palo Alto community would continue to do so under Alternative A. No change in service providers and, therefore, no significant environmental impact under the minimum service city would be experienced in the following area:

- o Sanitary Sewers
- o Water Supply
- o Drainage
- o Fire Protection
- o Local Parks and Recreation
- o Library
- o Animal Control

Table 13
DETAILS OF INCORPORATION ALTERNATIVE B, EAST PALO ALTO

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|---|---|---|--|---|--|
| General government | San Mateo County Government East Palo Alto Municipal Council | East Palo Alto City Government | Slightly reduced effort Direct cost savings | City general fund Costs applied from special funds and grants | Increased local autonomy and political responsiveness |
| Planning, building inspection, ordinance administration | San Mateo County Department of Environmental Management East Palo Alto Municipal Council | East Palo Alto Community Development Department | Reduced effort Direct cost savings Small loss of property tax and fee revenues | City general fund Permit and service fees Grants | Potential for improved ordinance enforcement |
| Police services | San Mateo County Sheriff's Dep't (County Service Area No. 5) California Highway Patrol | East Palo Alto Police Department | Reduced effort Direct cost savings Loss of property tax proportional to CSA #5 share of local prop tax Co. Service Area No. 5 dissolved | City general fund | Service level would generally be maintained. Loss of CHP traffic control will cause additional workload for new police department. |
| Streets | San Mateo County Public Works Department | East Palo Alto Public Works Department, Road Division | Reduction in maintenance effort County retains responsibility for capital improvements planned or under construction | Gas tax Vehicle code fines Federal grants City general | No significant effects |

Table 13
Alternative B, continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|----------------------------|--|--|---|--|--|
| Local parks and recreation | Ravenswood Recreation and Parks District | East Palo Alto Parks and Recreation Department | Dissolution of Ravenswood Recreation and Parks District | City general fund User fees Federal and state grants | Improved park maintenance Greater emphasis on fee programs Cooperation with youth services program |
| Library | San Mateo County Library | Same as current provider | None | Current provider would continue with existing revenue sources | None |
| Animal control | Peninsula Humane Society | Same as current provider (contract service) | Peninsula Humane Society would continue with city instead of county | Current provider would continue with existing revenue sources | None |
| Garbage collection | San Mateo County (County Service Area No. 5) | City of East Palo Alto (contract service) | CSA #5 dissolved | Fees adequate to cover cost of contract service and administration | None |

Table 13
Alternative B, Continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|-------------------|--|--|--|---|--|
| Sanitary sewers | East Palo Alto Sanitary District Menlo Park Sanitary District | East Palo Alto Public Works Department, Sanitary Div. Menlo Park Sanitary Dist. | Dissolution of East Palo Alto Sanitary District | User fees | None |
| Water supply | East Palo Alto Water District Private water companies | East Palo Alto Public Works Department, Water Div. Private water companies | Dissolution of East Palo Alto Water District Private companies would continue | User fees | None |
| Drainage | East Palo Alto Gardens Drainage Maintenance Dist. East Palo Alto Drainage Maintenance Dist. Ravenswood Slough Drainage Maintenance Dist. | East Palo Alto Public Works Department, Road Division | Dissolution of existing county drainage maintenance districts within East Palo Alto | City would finance drainage maintenance with benefit assessment paid by property owners | None |
| Fire protection | Menlo Park Fire District | Same as current provider | None | Current provider would continue with existing revenue sources | None |

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Table 13
Alternative B, continued

| MUNICIPAL SERVICE | CURRENT SERVICE PROVIDER | INCORPORATION ALTERNATIVE SERVICE PROVIDER | EFFECT OF INCORPORATION ON ORIGINAL PROVIDER | EAST PALO ALTO REVENUE SOURCES | EFFECT OF INCORPORATION ON SERVICE LEVEL |
|-------------------|--|---|--|---|--|
| Street lighting | Ravenswood Highway Lighting District | City of East Palo Alto (contract service) | Dissolution of Ravenswood Highway Lighting District | City would finance street lighting with benefit assessment charged to property owners | None |
| Civil defense | San Mateo County Civil Defense | Same as existing provider, but under contract to East Palo Alto | San Mateo County Civil Defense would contract with city for services | City general fund | None |
| Emergency medical | Menlo Park Fire District San Mateo County (contract with Medevac) | Same as existing providers | None | Current providers would continue with existing revenue sources | None |

Source: Fiscal Analysis

- o Street Lighting
- o Civil Defense
- o Emergency Medical Service

The impact of Alternative A on the level of municipal service currently enjoyed by East Palo Alto residents would be minimal in the following areas:

- o Streets
- o Sanitary Sewers
- o Water Supply
- o Drainage
- o Fire Protection
- o Local Parks and Recreation
- o Library
- o Animal Control
- o Garbage Collection
- o Street Lighting
- o Civil Defense
- o Emergency Medical Service

Under the proposed incorporation Alternative A, significant environmental impacts would be experienced in certain areas because of a change in service provider, i.e., the proposed East Palo Alto City Government, and/or changes in the level of services currently provided. These impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection

- o Police Services*
- o Streets (possibly)

Mitigation Measures - Alternative A

- A. Incorporation should occur as soon after July 1 as possible to allow the maximum transition period (1 year maximum) between the County and new city.
- B. The new city staff, especially General Government staff, should be experienced and paid at a competitive level to ensure the recruitment of highly qualified and competent individuals.
- C. Planning functions should be performed using the East Palo Alto Community Plan as a guide.
- D. Police services should be performed by qualified and experienced officers. Training of recruits should be extensive. Officers should be paid at competitive levels to those in surrounding and comparable communities.
- E. The County Public Works CIP for the East Palo Alto Community should be completed for those projects underway and planned for the future. Street upgrading and widening should be completed and all streets should be brought up to minimum county standards.

The impacts of the incorporation alternative on the provision of public services would be greater under Alternative B than under Alternative A. This is because the proposed new city would be responsible for a broader range of services. No change in

* Indicates that a district would be dissolved, but effect on level of service would be minimal.

service providers and therefore no significant environmental impact would be experienced under Alternative B in the following areas:

- o Fire Protection
- o Library
- o Animal Control
- o Civil Defense
- o Emergency Medical Service

The impact of Alternative B on the level of municipal service currently enjoyed by East Palo Alto residents would be minimal in the following areas:

- o Streets
- o Sanitary Sewers
- o Water Supply
- o Drainage
- o Fire Protection
- o Library
- o Animal Control
- o Garbage Collection
- o Street Lighting
- o Civil Defense
- o Emergency Medical Service

Under the proposed incorporation Alternative B, significant environmental impacts would be experienced in certain areas because of a change in service provided, i.e., the proposed East

Palo Alto City Government, and/or changes in the level of services currently provided. These impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services
- o Sanitary Sewers*
- o Water Supply*
- o Drainage*
- o Local Parks and Recreation*
- o Garbage Collection*
- o Street Lighting*

Mitigation Measures - Alternative B

- A. Mitigation measure A through E, page 108, for incorporation Alternative A also apply to Alternative B.
- B. All services except engineering services, attorney services, animal control, civil defense, garbage collection, park maintenance and street lighting should be provided by the new city.
- C. Existing district staff, if qualified, should be encouraged to accept positions in comparable areas with the new city.
- D. The proposed level of service should initially be set at existing levels.

* Indicates that one or more districts would be dissolved, but effect on level of service would be minimal.

A variation on boundaries is described in Section 4.2 as boundary alternative number (2), detachment of South of Willow Road from Menlo Park and subsequence inclusion in the new city of East Palo Alto. A further variation as described in Section 4.2 would be (3) annexation of West of Bayshore Freeway to Menlo Park and incorporation of East of Bayshore. LAFCo staff is currently in receipt of a petition to annex the West of Bayshore region to Menlo Park. The outcome of this application will depend on the sphere of influence recommended by staff and adopted by the Commission.

The municipal services provided in East Palo Alto with the above two alternative boundaries could vary between the legally required services only to a full service city. Regardless of the boundaries chosen, incorporation would necessarily include decisions similar to those already explored. The decisions that must be made relate to which municipal services would remain with existing special districts and which would be assumed by the new city. This is true whether a new City of East Palo Alto is formed or East Palo Alto becomes a part of Menlo Park. The minimum services that could be provided by a city government would be similar to the alternative A city -- providing only the legally required services (see Table 12, page 98). During the incorporation/annexation process the new city could also choose to dissolve major special districts presently providing municipal services, similar to the Alternative B city (see Table 13, page 103).

5.2.5 FISCAL IMPACT

The financing of public services will present a significant environmental impact should staff recommend and the Formation Commission approve the incorporation alternative presented in the sphere of influence study. The primary purpose of the Fiscal Analysis was to determine the fiscal feasibility of incorporation of East Palo Alto. The two Alternatives service level cities were described in this EIR in Section 5.2.4. A summary of the analysis and findings of the consultant are presented in this Section.

Perhaps the most important aspect of any fiscal analysis is an accurate projection of revenues. The Fiscal Analysis was prepared at a time of particular fiscal uncertainty in California. The Proposition 13 implementation legislation, Assembly Bill 8, was passed by the Legislature and signed by the Governor during this period. Further, during this time, Proposition 4 was approved by the electorate by an overwhelming majority.

Section 3a of the Initiative reads:

In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

Under this section it may be assumed that if the new cities are approved by the voters, a representative of the new city would negotiate with the county to "transfer" an appropriations limit.

The comparison of the municipal alternatives summarizes the key findings of the Fiscal Analysis. The first comparison of the municipal alternatives, including the base case, contrasts the projected costs of municipal services. This comparison is shown in Table 14, page 114. Two key municipal services are not included: fire protection and library service. These services are assumed to continue being provided by the existing agencies, and hence do not directly bear on this analysis.

The conclusion that may be reached from reviewing this data is that no substantial cost savings can be achieved through incorporation. In fact, Alternative A might be somewhat more costly than the present situation.

The availability of revenue to East Palo Alto is overshadowed by the fiscal limitations imposed by Proposition 13. The key impact of the property tax revenue limitation is that a new city must finance its new operation with revenues taken from other agencies. No new tax rate is permitted, and the agencies no longer providing services must estimate the share of revenue the new city receives from their funds. In addition to the limitation on property taxes, special taxes such as franchise fees, and business license taxes, which are major potential revenue sources, must pass an election supported by two-thirds

TABLE 14

COMPARISON OF MUNICIPAL ALTERNATIVE COSTS

| MUNICIPAL SERVICE | ESTIMATED ANNUAL OPERATING COSTS 1980-85 (1979 Dollars) | | |
|-----------------------|--|--------------|--------------|
| | City "A" | City "B" | Base Case*** |
| GENERAL GOVERNMENT | \$ 328,000* | \$ 333,000* | \$ 213,000 |
| COMMUNITY DEVELOPMENT | 364,600* (Including street maintenance costs) | 162,000* | 38,000 |
| POLICE PROTECTION | \$1,222,300* | \$1,222,300* | \$1,500,000 |
| PUBLIC WORKS | 1,010,800** | 1,120,000* | 1,110,800 |
| PARKS AND RECREATION | 180,000** | 189,500* | 180,000 |
| ANIMAL CONTROL | 9,400* | 9,400* | 9,400 |
| CIVIL DEFENSE | 3,500* | 3,500* | 3,500 |
| GARBAGE COLLECTION | 220,000* | 220,000* | 220,000 |
| TOTAL | \$3,338,600 | \$3,259,700 | \$3,274,700 |

* These services would be provided by East Palo Alto.

** These services would continue being delivered by the existing service providers.

*** The Base Case is the existing situation projected into the future.

Source: East Palo Alto Fiscal Analysis

of the qualified electorate. Detailed projections of available revenue were prepared for the municipal alternatives.

The key conclusion of the revenue projections was that East Palo Alto under either of the municipal alternatives can expect an increasing revenue base over the five years projected, 1980 through 1985. The projection for Alternative B included the increased revenues divided from user fees, property taxes, and interest. Key variables affecting the tax base are: the growth (in assessed value) of local property; sales taxes, which are presently extremely low per capita; and the availability of federal grants,

Presently, and for the base case alternative, East Palo Alto enjoys a revenue subsidy from the remainder of San Mateo County. The largest example of this subsidy is police services, where at least 50 per cent of the current budget of over \$1,200,000 is supported by the San Mateo County general fund. This subsidy also exists in public works where a large portion, nearly 50 per cent of the county's road capital improvement program, funded primarily by gasoline taxes is related to East Palo Alto projects. If East Palo Alto incorporated, it would negotiate with current providers on how these revenues would be divided and what services would continue. A key assumption made during the analysis was that the county public works department would remain responsible for the completion of the current capital improvement program. In any event, the ultimate impact of incorporation would be a shift of municipal service costs, either in terms of higher taxes and fees or reduced services, from the balance of San Mateo County

Table 15

COMPARISON OF COSTS AND REVENUES
FOR THE MUNICIPAL ALTERNATIVES

ALTERNATIVE A - Minimum Service City

| Costs and Revenue Categories | Cost-Revenue Projection (Thousands of 1979 Dollars) | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85 |
| <u>GENERAL REVENUE</u> | | | | | |
| LOCAL | \$1,141.7 | 1,220.8 | 1,295.5 | 1,441.1 | 1,547.0 |
| STATE SHARED | 283.7 | 287.6 | 289.3 | 291.3 | 293.4 |
| FEDERAL REVENUE SHARING | 233.0 | 247.0 | 261.0 | 288.0 | 308.0 |
| TOTAL | \$1,658.4 | 1,755.4 | 1,845.8 | 2,020.4 | 2,148.4 |
| <u>DEDICATED REVENUE</u> | | | | | |
| STATE SHARED | \$ 158.5 | 130.9 | 98.4 | 67.2 | 41.7 |
| LOCAL | \$ 41.1 | 41.1 | 41.1 | 41.1 | 41.1 |
| TOTAL | \$ 199.6 | 172.0 | 139.5 | 108.3 | 82.8 |
| <u>EXPENSES (OPERATING ONLY)</u> | | | | | |
| GENERAL | \$1,897.8 | 1,897.8 | 1,897.8 | 1,897.8 | 1,897.8 |
| ELIGIBLE FOR DEDICATED REVENUE ¹ | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 |
| TOTAL | \$2,147.8 | 2,147.8 | 2,147.8 | 2,147.8 | 2,147.8 |
| <u>SURPLUS (DEFICIT)²</u> | | | | | |
| GENERAL | \$ (239.4) | (142.4) | (52.0) | 122.6 | 250.6 |
| DEDICATED | (50.4) | (78.0) | (110.5) | (141.7) | (167.2) |
| TOTAL | \$ (289.8) | (220.4) | (162.5) | (19.1) | 83.4 |

1. This includes both direct costs and applied administrative costs, etc.

2. Assumes that voter approval is received for new special taxes which will equal \$311,600 during the first year of municipal operation. Without this revenue the initial fiscal feasibility of the alternative "A" City is substantially worsened.

Source: East Palo Alto Fiscal Analysis

Table 15, continued

ALTERNATIVE B - Expanded Service City

| Costs and Revenue Categories | Cost-Revenue Projection (Thousands of 1979 Dollars) | | | | |
|--|--|---------|---------|---------|---------|
| | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85 |
| <u>GENERAL REVENUE</u> | | | | | |
| LOCAL | \$2,206.3 | 2,280.7 | 2,358.5 | 2,505.1 | 2,614.1 |
| STATE SHARED | 283.7 | 287.6 | 289.3 | 291.3 | 293.4 |
| FEDERAL REVENUE SHARING | 233.0 | 247.0 | 261.0 | 288.0 | 308.0 |
| TOTAL | \$2,723.0 | 2,815.3 | 2,908.8 | 3,084.4 | 3,215.5 |
| <u>DEDICATED REVENUE</u> | | | | | |
| STATED SHARED | \$ 158.5 | 130.9 | 98.4 | 67.2 | 41.7 |
| LOCAL | 41.1 | 41.1 | 41.1 | 41.1 | 41.1 |
| TOTAL | \$ 199.6 | 172.0 | 139.5 | 108.3 | 82.8 |
| <u>EXPENSES</u> | | | | | |
| GENERAL | \$2,969.7 | 2,969.7 | 2,969.7 | 2,969.7 | 2,969.7 |
| ELIGIBLE FOR DEDICATED REVENUE ¹ | 290.0 | 290.0 | 290.0 | 290.0 | 290.0 |
| TOTAL | \$3,259.7 | 3,259.7 | 3,259.7 | 3,259.7 | 3,259.7 |
| <u>SURPLUS (DEFICIT)²</u> | | | | | |
| GENERAL | \$ (246.7) | (154.4) | (60.9) | 114.7 | 245.8 |
| DEDICATED | (90.4) | (118.0) | (150.5) | (181.7) | (207.2) |
| TOTAL | \$ (337.1) | (272.4) | (211.4) | (67.0) | 38.6 |

1. This includes both direct costs and applied administrative costs, etc.

2. Assumes that voter approval is received for new special taxes which will equal \$311,600 during the first year of municipal operation. Without this revenue, the initial fiscal feasibility of the Alternative B city is substantially worsened.

Source: East Palo Alto Fiscal Analysis

to the property owners and residents of East Palo Alto.

The key to the feasibility of a new city is the comparison of costs and projected revenues. This comparison is summarized in Table 15, page 116. Review of this data indicates a substantial revenue short-fall for East Palo Alto under either alternative. The short-fall is shown to improve over the five-year projection period because costs are assumed (in constant dollars,) not to increase, while most revenues should increase in real dollar terms. The projected deficits for the incorporation alternatives are conservative, that is, they include new special tax revenues which would require voter approval. Without these new taxes the deficits would generally double.

The fiscal analysis of East Palo Alto indicates that incorporation at the present time, given the assumptions made concerning municipal service costs and revenues, is infeasible.

Mitigation Measures

- A. A lower level of service or cost estimates below those presented in the Fiscal Analysis could improve the fiscal balance and make incorporation more feasible.
- B. An improved revenue picture would require an improvement of property values and recovery of sales tax revenue presently used to finance services in nearby communities.

The fiscal impact of boundary alternative number (2) detachment of South of Willow Road from Menlo Park to be added to the current

boundaries of CSA #5, is significant. The industrial development, because of its low demand on public services, would provide immediate revenue net of costs as shown in Table 16 , page 121. The positive revenue condition could be expected to continue.

The proposed residential subdivision would have produced deficits for its first four years of existence and then begin to "pay its own way", and eventually produce revenues in excess of costs. The plans to develop the residential subdivision have recently been abandoned by the developer.

The marina site is presently undeveloped. The proposed marina would be a commercial facility and as such could be expected to produce additional sales and property tax revenues. Although no specific project has been proposed, the general scale of the site and the development that could occur indicates combined sales and property tax revenue between \$25,000 and \$50,000.

The small amount of projected revenues from this boundary alternative would not offset the projected deficits in East Palo Alto. In the long-term, the lands south of Willow Road could be expected to be a fiscal advantage for East Palo Alto. This fact also applies to Menlo Park, which would tend to encourage Menlo Park not to approve detachment of these lands. Detachment would require the approval of both the City of Menlo Park and the affected property owners. Over a period of several years, the property owner has indicated to LAFCo staff, his strong opposition to any such move.

Table 16

FISCAL IMPACT OF THE MENLO INDUSTRIAL CENTER
ON THE CITY OF MENLO PARK

| Key Revenue Sources | Projected Annual Amount in 1978 Dollars | |
|---------------------|--|--|
| Property Tax | \$20,870 | |
| Franchise Taxes | 2,389 | |
| Business Licenses | 18,425 | |
| Sales Taxes | 2,000 | |
| TOTAL | \$43,684 | |

| Annual Costs Attributed to the Industrial Development | Average Cost Basis | Marginal Cost Basis |
|---|-----------------------|------------------------|
| Police | \$16,766 | \$ 0 |
| Public Works | 8,915 | 8,915 |
| General Government | 2,627 | 0 |
| TOTAL | \$28,308 | \$8,915 |

| Net Annual Revenue (Cost) | Average Cost Basis | Marginal Cost Basis |
|------------------------------|-----------------------|------------------------|
| | \$15,376 | \$34,769 |

Source: Urban Economics Corporation

The fiscal impact of boundary alternative number (3) the current boundaries of CSA #5, excluding the West of Bayshore Freeway area are also significant. It is estimated that thirty per cent of the assessed value in East Palo Alto is to the West of the Bayshore Freeway. Also, the commercial activity West of the Bayshore Freeway accounts for a large portion of East Palo Alto's sales tax revenue and other state-shared revenue. Table 17 shows a comparison of sales tax and other state-shared revenue between East and West of the Bayshore Freeway areas of East Palo Alto.

Other revenues, such as service charges, should be relatively equivalent on a per capita basis between the two areas. This means that for these revenues the amounts attributed to the West of the Bayshore area should be proportional to the population.

The net affect of not including the West of the Bayshore area with East Palo Alto is estimated to be a twenty-two per cent reduction of potential revenue. The breakdown of this analysis is shown by Table 18 .

On the expenditure side the elimination of the West of the Bayshore area would reduce municipal expenditures to some extent although many of the costs associated with the larger city would remain.

The conclusion of the consultant in the Fiscal Analysis of the impact of not including the area West of the Bayshore Freeway is that it would make incorporation considerably less feasible.

Table 17

COMPARISON OF SALES TAX AND STATE-SHARED REVENUE
BETWEEN THE PORTIONS OF EAST PALO ALTO
EAST AND WEST OF THE BAYSHORE FREEWAY

| Revenue Source | Projected Revenue Available in 1979 | | | |
|-------------------------------------|-------------------------------------|------------------|--------------------------|------------------|
| | East of Bayshore Freeway | | West of Bayshore Freeway | |
| | Amount | Percent of Total | Amount | Percent of Total |
| Sales Tax | \$91,198 | 60% | \$52,755 | 40% |
| Alcoholic Beverage Taxes | 1,901 | 52% | 1,753 | 48% |
| Cigarette Taxes | 35,162 | 78% | 9,569 | 22% |
| Vehicle and Trailer in Lieu Fees | 196,548 | 83% | 39,614 | 17% |
| Gasoline Taxes | 143,077 | 83% | 28,837 | 17% |

Source: California State Board of Equalization

COMPARISON OF REVENUE FROM THE EAST AND WEST
OF BAYSHORE FREEWAY PORTIONS OF EAST PALO ALTO -- 1980-81

(Thousands of 1979 Dollars)

| | East | West | Total |
|----------------------------------|----------|----------|----------|
| <u>Local Revenue</u> | | | |
| Property Tax | \$ 251.3 | \$ 107.2 | \$ 359.0 |
| Sales Tax | 103.3 | 69.8 | 172.2 |
| Business License Tax | 18.2 | 12.1 | 30.3 |
| Utility Franchise Tax | 209.7 | 40.0 | 249.7 |
| Licenses and Permits | 33.6 | 6.4 | 40.0 |
| Fines and Penalties | 34.5 | 6.6 | 41.1 |
| Services Charges and Fees | 189.0 | 36.0 | 225.0 |
| Use of Money and Property | 37.5 | 12.5 | 50.0 |
| Property Transfer Tax | 26.6 | 5.0 | 31.6 |
| Subtotal of Local Revenue | \$ 903.7 | \$ 294.7 | \$1198.9 |
| Percentage | 75.4 | 24.6 | 100.0 |
| <u>State Shared Revenue</u> | | | |
| Cigarette Tax | 33.6 | 9.5 | 43.1 |
| Alcoholic Beverage Fees | 2.3 | 2.1 | 4.4 |
| Vehicle and Trailer Fees | 196.0 | 40.2 | 236.2 |
| Gas Tax | 131.6 | 26.9 | 158.5 |
| Subtotal of State-Shared Revenue | \$363.5 | \$78.7 | \$442.2 |
| Percentage | 82.2 | 17.8 | 100.0 |
| Federal Revenue Sharing | \$193.4 | \$ 39.6 | \$233.0 |
| Percentage | 83.0 | 17.0 | 100.0 |
| Total General Revenue | \$1294.5 | \$413.0 | \$1674.5 |
| Total Restricted Revenue | 166.1 | 33.5 | 199.6 |
| Percentage of Total Revenue | 78.0 | 22.0 | 100.0 |

Source: McDonald & Associates

The significant loss of revenue could not be completely recovered by reduced municipal service costs.

5.2.6 IMPACT ON UTILITIES

The impact on public utilities should incorporation be recommended by staff and adopted by the Commission has for the most part been discussed in the Impact on Public Services, Section 5.2.4. Other utilities not discussed in that section, such as power or natural gas, and communications systems, will not be impacted by incorporation.

5.2.7 IMPACT ON AESTHETICS

The impact on the aesthetics of the East Palo Alto Community, should incorporation be recommended by staff and adopted by the Commission, would be significant. If incorporation is approved, the local East Palo Alto government and citizenry would have greater control over planning and development. However, because of a significant reduction in revenue, if incorporation occurred within the next five years, community maintenance and service programs would be greatly reduced. The aesthetics of the community would, therefore, be impacted.

Mitigation Measures

- A. Select a reorganization alternative that will provide adequate public services to enhance the aesthetics of the community.

5.2.8 IMPACT ON RECREATION

The impact on recreation should incorporation be recommended by staff and adopted by the Commission will be significant. Local park and recreation services are presently provided to the East Palo Alto Community by the Ravenswood Recreation and Park District.

By national standards, the local parks provided by the district are only marginally adequate. East Palo Alto, with a total of ten and one-half acres of neighborhood parks and a population of approximately 18,000 people, has one acre of park for every 1,714 people. The district sponsors a minimal amount of active community-oriented recreation programs. In comparison with other cities, these programs are extremely limited.

Under the incorporation Alternative A the Ravenswood Recreation and Park District would continue to exist and provide the same inadequate level of recreation service. The impact on the environment would be a continued substandard level of recreation and park services to East Palo Alto. Under Alternative B the new city would assume this service and the district would be dissolved. The impact on the environment, should this occur, could be a beneficial one inasmuch as an improved level of recreation and park maintenance programs should result.

Mitigation Measures

- A. Select a reorganization alternative that will ensure a viable recreation and park program for the East Palo Alto Community.

5.2.9 IMPACT ON MANDATORY FINDINGS OF SIGNIFICANCE

The impact of incorporation on this area of environmental significance would be great. Incorporation has the potential to achieve limited short-term advantages to the disadvantage of long-term environmental goals including human needs. East Palo Alto currently is provided with a few exceptions, an adequate level of municipal services. While certain capital improvements have deficiencies, current programs address most of the problems.

The revenue short-fall shows incorporation to be infeasible at present. Although incorporation addresses limited short-term goals of the community, i.e., greater community control through self-governance, it would make the community more dependent on outside agencies to offset the revenue deficit. Incorporation Alternative A would in fact be subsidized more than the existing situation. The Alternative B City would also require a substantial revenue subsidy. Incorporation, therefore, has the potential to cause substantial adverse effects on human beings even if existing service levels are maintained.

Mitigation Measures

- A. Select an alternative form of organization that will not result in the achievement of short-term environmental goals, to the disadvantage of long-term environmental goals.
- B. Select an alternative form of organization that will not have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly.

5.3 ANNEXATION OF ALL OR PART TO MENLO PARK

The third alternative form of organization to be considered in the sphere of influence study is annexation of all or part of East Palo Alto to Menlo Park. The framework for this alternative is defined in Section 4.3. In this section of the EIR, the impacts of the staff recommending and the Commission adopting this alternative on areas of environmental significance will be reviewed. Whenever possible, mitigation measures will be presented. It should be noted that the impact of incorporation of East Palo Alto without the West of Bayshore Freeway area is described in Section 5.2.

5.3.1 IMPACT ON POPULATION

The U.S. Census of 1970 reported that a total population of 26,734 persons resided within the corporate limits of Menlo Park. A complete population breakdown of the City is provided in Section 3 of this EIR, which sets forth the Base Conditions for the study.

Adding 17,837 for all of East Palo Alto or 2,992 for West of Bayshore in population to Menlo Park by annexing all or part of East Palo Alto could add economies of scale to the new larger city. By annexing all of East Palo Alto and areas within the City's sphere of influence to Menlo Park, the new city's population would be close to 50,000. This would allow the City to apply on its own for HCDA block grant funding, in addition to other Federal categorical grants, independent of San Mateo County.

From a demographic standpoint, an outstanding feature of population when comparing Menlo Park and East Palo Alto is the percentage of white and non-white residents. Menlo Park has a 19.9 per cent non-white population, whereas East Palo Alto has a 61 per cent black and a 66.3 per cent total non-white population. This percentage would be widened further if the West of Bayshore region of East Palo Alto, which equals 16.8 per cent of the total, were annexed to Menlo Park separately. Menlo Park does, however, contain a higher proportion of racial minorities than any of the neighboring communities in the Mid-Peninsula.

The Base Conditions, Section 3.2.3, establishes various other demographic comparisons between East Palo Alto. Menlo Park has an older population, 33.2 per cent over 50 years, as compared to East Palo Alto with 14.5 per cent in this range. However, East Palo Alto has a larger percentage of school age young people, 39.3 per cent under 19 years, than Menlo Park with 28.6 per cent in this range.

East Palo Alto has a larger percentage of persons of modest means than does Menlo Park. The median family income in East Palo Alto in 1970 was \$9,401, compared to \$13,538 in Menlo Park and a \$13,222 media for San Mateo County. The area has a higher unemployment rate and higher crime rate than Menlo Park.

Annexation of only the West of Bayshore region to Menlo Park would mean the inclusion of an area with more homogenous population characteristics. However, a significant environmental

impact would result if the East of Bayshore area incorporated because it would demographically become even more atypical of surrounding communities in San Mateo and Santa Clara County.

Mitigation Measures

- A. Select an annexation boundary alternative that will not further isolate the population of East Palo Alto.

5.3.2 IMPACT ON HOUSING

As set forth in the Base Conditions Section 3.1, page 25, the predominant land use in Menlo Park is residential with approximately 1,550 acres, which is about 40 per cent of the urbanized city. East Palo Alto is also predominantly residential in nature with 837 acres of 50.3 per cent of the area developed as residential dwelling units. Approximately 15 per cent of the land in East Palo Alto has future development potential mainly, however, as commercial or industrial development.

It has been determined that the average household size in East Palo Alto in 1970 was relatively high, with 6.5 per cent of housing units considered to be overcrowded.

Single-family housing predominates in the East of Bayshore, where 81 per cent of the 6,400 units are thus classified. The West of Bayshore area, by contrast, is predominantly multi-family units. Since 1970 about 200 units have been added in

East Palo Alto, slightly over half of them multi-family.

Annexation of the entire East Palo Alto community to Menlo Park would have a significant impact on the city's rehabilitation and redevelopment programs. A sizable proportion of East Palo Alto's housing stock is in serious need of maintenance or rehabilitation. This impact would be greatly diminished were annexation of the West of Bayshore alone to be recommended by staff in the sphere of influence study and approved by the Commission.

The Mid-Peninsula is an area of many jobs and a limited amount of housing. Because of the recognized jobs/housing imbalance in the area, it is entirely possible that Menlo Park could perceive East Palo Alto as a location for much needed housing for the employees of local companies. If this is the case, plans for development in East Palo Alto could change if annexation to Menlo Park is recommended by staff and adopted by the Formation Commission.

Mitigation Measures

- A. Menlo Park, with assistance from the County Housing and Community Development Division, should take steps to improve the quality of existing housing in East Palo Alto.
- B. Housing rehabilitation programs should be developed or modified by Menlo Park to meet the needs of the East Palo Alto Community.

- C. Menlo Park's property rehabilitation standards should be reviewed to insure that housing rehabilitation activities can be applied to East Palo Alto.
- D. Menlo Park should discourage condominium conversions in the East Palo Alto area so that persons of low and moderate incomes will not be displaced.
- E. Menlo Park should develop policies to encourage the construction of higher income housing in East Palo Alto.

5.3.3 IMPACT ON TRANSPORTATION/CIRCULATION

Many of the same environmental impacts relating to transportation/circulation would apply to the annexation of all or part to Menlo Park alternative as well as to the other three alternatives, for instance, approaches to the Dumbarton Bridge. These impacts were discussed in depth and mitigation measures suggested in the Incorporation Alternative Section 5.2.3. These impacts are incorporated by reference here.

One additional impact would be that the City of Menlo Park could offer a more coordinated solution to the potential and existing problems relating to transportation/circulation. Menlo Park, surrounding as it is by East Palo Alto on three sides, is the recipient of many traffic and circulation problems generated by East Palo Alto. Annexation of the areas to Menlo Park would give the City the jurisdictional authority to control such adverse transportation/circulation related impacts.

Mitigation Measures

- A. Ensure transportation/circulation policies that after annexation adequately serve the diverse needs of the area.
- B. Provide sufficient access to city facilities and services.
- C. Ensure adequate access to regional transit and other local systems.
- D. Improve streets to provide adequate transportation routes for cars, bicycles, buses, and pedestrians.
- E. Assuming that Menlo Park would want to develop the Industrial Park and Marina, develop and approve a Dumbarton Bridge connection that will adequately provide access to the park and proposed marina, but not inflict heavy vehicular traffic on residential streets.

5.3.4 IMPACT ON PUBLIC SERVICES

As outlined in Section 4.3 of this EIR, Menlo Park has a wide variety of public services and facilities available to city residents. Many of the services and facilities are under the jurisdiction of the City, but some are governed by special single-purpose districts. If annexation of all or part of East Palo Alto to Menlo Park is recommended by staff and adopted by the Formation Commission, no change in service providers and, therefore, no significant environmental impact would be experienced in the following areas:

- o Drainage
- o Fire Protection
- o Animal Control
- o Civil Defense
- o Emergency Medical Service

The impact of annexation of all or part of East Palo Alto to Menlo Park on the level of municipal currently provided to the East Palo Alto community would be minimal in the following areas:

- o Streets
- o Sanitary Sewers
- o Water Supply
- o Drainage
- o Fire Protection
- o Library
- o Animal Control
- o Garbage Collection
- o Street Lighting
- o Civil Defense
- o Emergency Medical Service

Under the annexation of all or part of East Palo Alto to Menlo Park alternative, significant environmental impacts would be experienced in certain areas because of a change in service provider and/or changes in the level of services currently provided. These impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services*
- o Sanitary Sewers*

* Indicates that one or more districts would be dissolved and the functions of the district assumed by either Menlo Park or another district.

- o Water Supply*
- o Local Parks and Recreation*
- o Garbage Collection*
- o Street Lighting*

Mitigation Measures

- A. Consideration should be given to expanding the number of city council members in Menlo Park from five to seven to ensure adequate representation of the East Palo Alto Community. Menlo Park's council is presently elected at large. If East Palo Alto were annexed, district elections would be another means of ensuring representation from the East Palo Alto Community.
- B. The East Palo Alto Community Plan presently being prepared by the San Mateo County Planning Division, should, after approval by the East Palo Alto Community, the Planning Commission, and the Board of Supervisors, be used as a basis for future planning decisions after annexation by Menlo Park.
- C. Menlo Park should consider a review of the combined General Plans giving special attention to housing, commercial and industrial development, traffic circulation and the balance of jobs and housing.
- D. The high level of police services currently provided by the Sheriff's Department to East Palo Alto should be continued by Menlo Park after annexation to control and prevent the high rate of crime in the community.

- E. Community supported crime prevention programs should be continued by Menlo Park after annexation.
- F. Special emphasis should be given to police community relations so that the existing problems in this area will be eliminated and the community will feel secure with its relationship with law enforcement.
- G. The County Public Works CIP for the East Palo Alto community should be completed for those projects underway and planned for the future. Street upgrading and widening should also be completed and all streets should be brought up to the minimum county standards before annexation to Menlo Park.
- H. Existing district staff, if competent, should be encouraged to accept positions in comparable areas after dissolution of their district and annexation to Menlo Park.

5.3.5 FISCAL IMPACT

The fiscal feasibility of Menlo Park annexing East Palo Alto, to be analyzed in the sphere of influence study, depends entirely upon economies of scale that the new, larger City of Menlo Park might achieve. The situation is unlike a typical annexation, where a city attempts to capture new revenue by annexing undeveloped land.

Municipal services in Menlo Park are currently financed by a relatively healthy and adequate tax base, supported by high property values and a high level of retail sales. On a per

capita basis, there are dramatic differences in the revenue available to Menlo Park as compared to East Palo Alto. For two components of municipal revenue property taxes and sales taxes, Menlo Park receives per capita \$36 and \$65 respectively. In East Palo Alto per capita property taxes available to the new city would equal \$19, while sales taxes per capita would equal only \$8. Table 19 compares the per capita revenues presently available to Menlo Park and East Palo Alto. By annexing East Palo Alto, Menlo Park's per capita revenue would be substantially diluted.

On the expenditure side, current per capita expenditures in East Palo Alto differ substantially from Menlo Park. A comparison of expenditures for key municipal services is shown in Table 20. The substantial differences lie in expenditures for general government and police. Menlo Park spends per capita \$31 and \$47 respectively. General government and police in East Palo Alto currently cost per capita \$13 and \$82, respectively.

The low cost of general government in East Palo Alto reflects costs not accounted for in the initial analysis (non-sparable costs for services provided by San Mateo County), but even if these were included, it is unlikely that these costs would be as high in East Palo Alto. The difference in police costs reflects the fact that the demand for police services in East Palo Alto is generally higher than in Menlo Park.

Table 19

ANNEXATION OF EAST PALO ALTO TO MENLO PARK,
TOTAL AND PER CAPITA REVENUES

| Revenue Source | City of Menlo Park Revenue 1978-79 | | Estimated East Palo Alto Revenue 1978-79 | |
|---|--|------------|--|------------|
| | Total | Per Capita | Total | Per Capita |
| <u>LOCAL REVENUE SOURCES</u> | | | | |
| Property Tax | \$1,000,000 | \$36 | \$350,000 | \$19 |
| Sales Tax | 1,790,000 | 65 | 151,000 | 8 |
| Business License Tax | 206,000 | 8 | 23,500 | 1 |
| Utility Franchise Tax | 206,000 | 8 | 9,800 | 1 |
| Licenses and Permits | 146,000 | 5 | 40,000 | 2 |
| Fines and Penalties | 160,000 | 6 | 41,000 | 2 |
| Service Charges and Fees | 170,000 | 6 | 50,000 | 3 |
| Use of Money and Property | 154,000 | 6 | 50,000 | 3 |
| Property Transfer Tax | 60,000 | 2 | 31,000 | 2 |
| <u>STATE-SHARED REVENUE SOURCES</u> | | | | |
| Cigarette Tax | 115,000 | 4 | 45,000 | 3 |
| Alcoholic Beverage Taxes and Fees | 16,000 | 1 | 3,700 | - |
| Vehicle and Trailer in Lieu Fees | 381,000 | 14 | 191,000 | 11 |
| Gas Tax | 296,000 | 11 | 160,000 | 9 |
| <u>STATE AND FEDERAL GRANTS</u> | | | | |
| General Revenue Sharing | 126,000 | 5 | 233,000 | 13 |

Source: East Palo Alto Fiscal Analysis

The estimated marginal costs of extending key municipal services to East Palo Alto are shown in Table 21. Discussion with the City of Menlo Park officials indicated that police services could be provided to East Palo Alto by Menlo Park without increasing per capita costs. Economies of size are potentially available for other municipal services, including general government and community development. It is estimated that the per capita costs of extending these services could be as much as fifty per cent below the current per capita average costs in Menlo Park. If this is true, a significant expenditure saving could be realized. Table 21 indicates a potential \$500,000 saving under the Menlo Park annexation alternative as compared with the East Palo Alto incorporation alternatives.

Although the new City of Menlo Park's average per capita revenue would decline, because of economies of scale East Palo Alto should produce adequate revenue to cover additional costs to Menlo Park. Hence, East Palo Alto should not be a drain on the revenue base of the existing city.

Table 20

ANNEXATION OF EAST PALO ALTO TO MENLO PARK
PER CAPITA EXPENDITURES

| General Expenditures for Key Municipal Services | City of Menlo Park 1978-79 | | East Palo Alto "Base Case" 1978-79 | |
|--|-------------------------------|------------|--|------------|
| | Total | Per Capita | Total | Per Capita |
| General Government | \$ 848,909 | \$31 | \$ 231,200 | \$13 |
| Police | 1,278,024 | 47 | 1,472,076 | 82 |
| Community Development | 253,417 | 9 | 36,150 | 2 |
| Public Works (Not Including Sanitation) | 1,220,840 | 45 | 814,464 | 45 |
| Parks and Recreation | 313,461 | 11 | 169,678 | 9 |
| Library | 283,170 | 10 | 158,276 | 9 |

TABLE 21

MARGINAL COSTS FOR EXTENDING
MENLO PARK MUNICIPAL SERVICES TO
EAST PALO ALTO

| Municipal Service | Estimated Cost Under East Palo Alto Incorporation Alternatives A & B | Estimated Cost of Menlo Park Extending Services to East Palo Alto |
|-----------------------|---|--|
| General Government | \$ 330,000 | \$ 280,000 ¹ |
| Police | 1,222,300 | 850,000 ² |
| Community Development | 162,000 | 80,000 ³ |
| TOTAL | \$1,714,300 | \$1,210,000 |

1. Assumes that the marginal cost of extending general government services to East Palo Alto would be fifty percent of the existing average per capita cost.
2. Assumes that the marginal cost of extending police services to East Palo Alto would equal the current average per capita cost of police service in Menlo Park, applied to East Palo Alto's estimated population (18,000).
3. Assumes that the marginal cost of extending planning and building inspection services to East Palo Alto would equal fifty percent of the current average per capita cost of community development service in Menlo Park, applied to East Palo Alto's estimated population.

The capital improvements required in East Palo Alto to streets, drainage projects and the water system, could cause a problem for Menlo Park, unless county responsibility were continued. The fiscal analysis estimates over \$22,000,000 worth of required improvements. It is assumed that similar to the incorporation alternatives, the County of San Mateo would complete most of these planned projects.

Mitigation Measures

- A. A realistic amount of property tax revenue should be negotiated and exchanged between the County of San Mateo, the affected special districts, and the City of Menlo Park under the provisions of AB 8.
- B. A sufficient Proposition 4 "appropriations limit transfer" should be exchanged between the County of San Mateo, the the affected special districts, and the City of Menlo Park.
- C. Programs to encourage the enhancement of East Palo Alto tax base should be given high priority to attempt to offset the revenue/expenditure imbalance.
- D. Federal and State grants should be actively pursued by Menlo Park in light of the city's increased eligibility because of an increase in population.

E. Any initial reduced level of service by Menlo Park to East Palo Alto brought about by any revenue/expenditure imbalance should be minimized.

5.3.6 IMPACT ON UTILITIES

The impact on utilities should the annexation of all or part of East Palo Alto to Menlo Park alternative be recommended by staff and adopted by the Commission has, for the most part, been discussed in Section 5.3.4, Impact on Public Services. Other utilities not discussed in that section, such as power or natural gas, and communications systems, will not be impacted by annexation.

5.3.7 IMPACT ON AESTHETICS

The impact on aesthetics as it relates to the form of organization recommended in the sphere of influence study and adopted by the Commission would be significant. From a community standpoint, aesthetics are very important to the character of both Menlo Park and East Palo Alto. The fact is that many parts of East Palo Alto have been in a continuous state of deterioration for many years. Annexation to Menlo Park could be viewed as a means of allowing a mature and experienced city to extend service and maintenance programs to an area desperately in need of help. The aesthetics of the community would, therefore, be impacted.

Mitigation Measures

A. Select a reorganization alternative that will allow for the enhancement of the aesthetics of the East Palo Alto community.

5.3.8 IMPACT ON RECREATION

Annexation of all or part of East Palo Alto to Menlo Park will impact recreation facilities in the area. As previously established in Section 4.3, the city runs and maintains an active recreation program and approximately 60 acres of recreational open space.

Annexation of all or part of East Palo Alto to Menlo Park would necessarily entail the dissolution of the Ravenswood Recreation and Park District. Menlo Park's Department of Community Resources would then be required to extend services to East Palo Alto.

Mitigation Measures

- A. Ensure that Menlo Park provide active recreation programs in East Palo Alto that adequately serve community needs.

5.3.9 IMPACT ON MANDATORY FINDINGS OF SIGNIFICANCE

The short-term impact of annexation of all or part of East Palo Alto by Menlo Park would be a significant decrease in per capita revenues and a significant decrease in per capita expenditures. The short-term advantages would be the extension of services by an established city with a relatively healthy and adequate tax base, supported by high property values and a high level of retail sales.

The long-term impact would hopefully be an East Palo Alto community that would benefit from being part of an affluent and

progressive city that has historically provided a high level of municipal service to its residents. Additionally, by enhancing the tax base in East Palo Alto by a mix of residential, commercial and industrial development the long-term impact could be that the community would produce adequate revenue to cover the added costs to Menlo Park, and hence not be a drain on the revenue base of the existing city.

5.4 ANNEXATION OF ALL OR PART TO PALO ALTO

Annexation of all or part of East Palo Alto to Palo Alto is the last of the four alternative forms of organization to be considered in the sphere of influence study. As previously mentioned, implementation of this alternative would require a change in the County boundary line as Palo Alto is located in Santa Clara County. The framework for this alternative is set forth in Section 4.4 of this EIR.

In this section of the EIR, the impacts of the staff recommending and the Commission adopting this alternative will be reviewed. Whenever possible, mitigation measures will be presented.

5.4.1 IMPACT ON POPULATION

There are approximately 56,000 people in Palo Alto and about 11,000 living on the Stanford University Campus. By the year 1990 there are expected to be 57,700 residing in the City. The planning area does not include East Palo Alto. A complete population breakdown of Palo Alto is included in the City's

Comprehensive Plan and summarized in the Base Condition beginning on page 47, of this Draft Environmental Impact Report.

Palo Alto has a population that is approximately twice the size of Menlo Park. When considering economies of scale a new city of Palo Alto with a potential larger population approaching 75,000 (including East Palo Alto) would be in an excellent position as far as eligibility for Federal grants.

From a demographic standpoint however, Palo Alto and East Palo Alto differ greatly. Palo Alto's Planning Director points out that "While consensus on solving these (planning) problems can possibly be found in the relatively homogenous community of East Palo Alto, there would be major problems in integrating these solutions into overall plans for Palo Alto.

East Palo Alto has a 66.3 per cent non-white population. Palo Alto has a 13.0 per cent non-white population. Compared with other communities East Palo Alto has a relatively "young" population, with 21.9 per cent of its population in the 5 - 14 year range. Palo Alto in this age range has 13.4 per cent of total population. At the other end of the age range, East Palo Alto has 14.5 per cent of its population over 50 years of age, whereas Palo Alto has 28.2 per cent of its population in this older age bracket. The age distribution of the population has important implications for school planning, recreational and cultural programs and facilities, employment, the crime rate and policing needs, and many other aspects of community life.

The 1970 Census shows that Palo Alto had the second highest average family income of any city of 25,000 or more in the Bay area. Average household income ranked somewhat lower because of the large number of lower income services and student households in Palo Alto. East Palo Alto, particularly the East-of-Bayshore area, has many households with extremely modest means. The 1969 median family income, as measured in the 1970 Census, was \$9,401, compared with a median of \$13,222 for San Mateo County, and higher levels in neighboring cities. Some 14 per cent of the families were classified as below the federally-defined "poverty level." Currently, about half the families of the community are in the "low-moderate" income range, by HUD standards. The contrast between East Palo Alto and Palo Alto is dramatic.

Mitigation Measures

- A. Select an annexation boundary alternative that will not further isolate the population of East Palo Alto.

5.4.2 IMPACT ON HOUSING

As set forth in the Base Conditions, Section 3.3, page 47 , the predominant land use in Palo Alto is residential. Fully two-thirds of Palo Alto's units are single-family homes, but about 20 per cent of those are rental units. The media market value in 1970 of owner-occupied housing in Palo Alto was almost \$33,900. Of course with the wild inflation of the 1970's the media market value today is approximately \$150,000.

East Palo Alto's housing inventory has increased only modestly since the 1970 Census count of 6,400 units. Single-family housing predominates, notably in the East-of-Bayshore areas, where it is 81 per cent of the total 1970 inventory of 4,435 units. In contrast, the West-of-Bayshore area is predominantly multi-family units. Since 1970, about 200 units have been added in East Palo Alto, slightly over half of them in multi-family structures. In 1975 Palo Alto had 23,000 housing units. In addition, 7,100 students were housed at Stanford University, with 1450 apartments for married students.

In East Palo Alto the average household size (persons per occupied housing unit) was relatively high in 1970; 4.2 persons per unit for owner-occupied units; 3.2 for renter-occupied units. Considering the relatively small size of most units in East Palo Alto, this indicates a very intensive utilization of many units. If an "overcrowding" standard of 1.01 persons per room is applied, 6.5 per cent of East Palo Alto's units were overcrowded in 1970.

In 1960, Palo Alto had 3.1 persons per household. In 1970, 2.7 persons per household and an estimated 2.3 persons per household in 1980. Palo Alto has more households of older persons and young adults without children. The average household size in Palo Alto will continue to decrease as families mature and older children leave home, as young married couples have fewer children, and as the proportion of one- and two-person households increases along with the increase in multi-family units.

As mentioned in previous sections of this EIR, the Mid-Peninsula is suffering from a severe jobs/housing imbalance. The problem is extremely acute in the Menlo Park/Palo Alto region. It is entirely probable that Palo Alto could perceive the East Palo Alto area as a place with the potential for substantial residential development. Annexation of East Palo Alto to Palo Alto would facilitate such a development program.

Mitigation Measures

- A. Palo Alto should take steps to improve the quality of existing housing in East Palo Alto.
- B. Housing rehabilitation programs should be developed or modified by Palo Alto to meet the needs of the East Palo Alto community.
- C. Palo Alto's property rehabilitation standards should be reviewed to insure that housing rehabilitation activities can be applied to East Palo Alto.
- D. Palo Alto should discourage condominium conversions in the East Palo Alto area so that persons of low and moderate incomes will not be displaced.
- E. Palo Alto should develop policies to encourage the construction of higher income housing in East Palo Alto.

5.4.3 IMPACT ON TRANSPORTATION/CIRCULATION

Many of the same environmental impacts relating to transportation/circulation would apply to the annexation of all or part to Palo Alto alternative as well as to the other three alternatives,

for instance approaches to the Dumbarton Bridge. These impacts were discussed in depth and mitigation measures suggested in the Incorporation Alternative Section 5.2.3. These impacts are incorporated by reference here.

Palo Alto's Comprehensive Plan transportation policies have been formulated to improve mass transit, and transit ridership, avoid increases in auto traffic, discourage travel at peak hours, increase the number of persons carried per vehicle, discourage auto use, and promote bicycle use.

Because of economic reasons, and because East Palo Alto residents are dependent on outside communities for goods and services, adequate public transportation is essential. The public transit system in East Palo Alto, therefore, should provide access to facilities and services within the community as well as access to facilities and services outside.

Public transportation is provided to the East Palo Alto community by the San Mateo County Transit District (SamTrans). There are two major bus routes serving the community, and with a third route provide access and connections to major shopping areas, health care facilities, employment centers, educational institutions and regional transit lines. If the East Palo Alto area were annexed to Palo Alto the Santa Clara County Transit system would become responsible for providing bus service to East Palo Alto.

The Palo Alto Municipal Airport is under the jurisdiction of Santa Clara County. At present a revision of the County Airport Master Plan is being developed by county consultant Hodges and Shutt in Santa Rosa. The completion data for the plan is December, 1980. When the plan is completed information will be available on future plans of the airport and existing and future impacts on the East Palo Alto community.

The street system in East Palo Alto consists of 38.07 miles of roads and streets. Of these, 8.35 miles are of the select system and 29.72 are on the minor street system. The Public Works Department of San Mateo County is responsible for a Road Improvement Program (CIP). The CIP includes capital improvement projects that are programmed over a five-year period. If the area were annexed to Palo Alto the city would become responsible for street maintenance improvements.

Streets in the Palo Alto Park area lack curbs and gutters and are in poor condition. These 5.37 miles of streets are considered in need of repair by the County Public Works Department. However, if these streets are brought up to minimum county standards, right of ways will reduce property boundaries and reduce parking on already narrow streets and will change the rural character of the area.

The Dumbarton Bridge connection alternatives include a Southern Connection through East Palo Alto to Palo Alto. The city is

opposed to this connection; however, if the area were annexed to Palo Alto such a route would serve to join the two areas more closely. Annexation to Palo Alto would also aid in finding a coordinated solution to East Palo Alto's generated transportation/circulation problems.

Mitigation Measures

- A. Ensure transportation/circulation policies that after annexation adequately serve the diverse needs of the area.
- B. Provide sufficient access to city facilities and services.
- C. Ensure adequate access to regional transit and other local systems.
- D. Improve streets to provide adequate transportation routes for cars, bicycles, buses, and pedestrians.
- E. Approve a "Southern Connection" to the Dumbarton Bridge through East Palo Alto to Palo Alto.

5.4.4 IMPACT ON PUBLIC SERVICES

As outlined in Section 4.4 of this EIR, Palo Alto provides a full range of public services and facilities to city residents. Unlike Menlo Park, that is provided some services by a variety of special districts, Palo Alto's services are extended by means of City Departments. In the "annexation of all or part of East Palo Alto to Menlo Park alternative", certain services would continue to be provided by special districts. However, in the "annexation of all or part of East Palo Alto to Palo Alto alternative", all municipal services, regardless of the

original service provider, would be assumed by the City of Palo Alto.

Under the "annexation of all or part of East Palo Alto to Palo Alto alternative", county services, instead of being provided by San Mateo County, would become the responsibility of Santa Clara County. County services in the following areas would, therefore, be impacted:

- o Health
- o Welfare
- o Transportation
- o Social Services
- o Criminal Justice
- o Consumer Affairs
- o Land Development

Under this alternative, significant environmental impacts would be experienced because of a change in service provider and/or changes in the level of services currently provided to the East Palo Alto community. These impacts would be experienced in the following areas:

- o General Government
- o Planning and Building Inspection
- o Police Services
- o Streets
- o Sanitary Sewers
- o Water Supply

- o Drainage
- o Fire Protection
- o Local Parks and Recreation
- o Library
- o Animal Control
- o Garbage Collection
- o Street Lighting
- o Civil Defense
- o Emergency Medical Services
- o Public Utilities

It is apparent that the environmental impacts of this alternative would be significant.

Mitigation Measures

- A. A means of insuring East Palo Alto representation on the Palo Alto City Council should be explored. For the "annexation of all or part of East Palo Alto to Menlo Park alternative", it was suggested that the council's membership be expanded or candidate qualification requirements be changed. A similar measure could be implemented under this alternative.
- B. The East Palo Alto Community Plan presently being prepared by the San Mateo County Planning Division, should after approval by the Board of Supervisors, the Planning Commission and East Palo Alto community, be used as a basis for future

decisions after annexation by Palo Alto.

- C. The high level of police services currently provided by the Sheriff's Department to East Palo Alto should be continued by Palo Alto after annexation to control and prevent the high rate of crime in the community.
- D. Community supported crime prevention programs should be continued by Palo Alto after annexation.
- E. The San Mateo County Public Works CIP for East Palo Alto should either be completed or financed in whole or in part by San Mateo County. Street upgrading and widening should also be completed and all streets should be brought up to the minimum standards before annexation to Palo Alto.
- F. Existing district staff, if competent, should be encouraged to accept positions in comparable areas with the city after dissolution of their district and annexation to Palo Alto.

5.4.5 FISCAL IMPACT

The fiscal impact of Palo Alto annexing East Palo Alto, to be analyzed in the sphere of influence study, depends entirely upon economies of size that the new, larger City of Palo Alto might achieve. The situation is unlike a typical annexation where a city attempts to capture new revenue by annexing undeveloped land. East Palo Alto is almost fully developed and would require a high level of municipal service from the City of Palo Alto.

The fiscal impact is made even more uncertain by problems relating to "property tax exchanges" under the provisions of Assembly

Bill 8, and "appropriations limit transfers" under the provisions of Proposition 4, the Gann Initiative. The language in either one does not apply to a situation in which a county boundary line is adjusted.

In any event, a format similar to the one utilized in the Fiscal Analysis for "Annexation to Menlo Park Alternative" will be followed for "Annexation to Palo Alto Alternative" presented in this section of the EIR. Utilizing a similar format will allow an initial comparison to be made between the two city annexation alternatives to be analyzed in depth in the sphere of influence study.

Municipal services in Palo Alto are currently financed by a very healthy and adequate tax base, supported by high property values and a high level of retail sales. On a per capita basis, there are dramatic differences in the revenue available to Palo Alto as compared to East Palo Alto. For two components of municipal revenue, property taxes and sales taxes, Palo Alto receives per capita \$48 and \$95 respectively. In East Palo Alto per capita property taxes available to the new city would equal \$19, while sales taxes per capita would equal only \$8. Table 22 compares the per capita revenues presently available to Palo Alto and East Palo Alto. By annexing East Palo Alto, Palo Alto's per capita revenue would be substantially diluted.

TABLE 22

ANNEXATION OF EAST PALO ALTO TO PALO ALTO
TOTAL AND PER CAPITA REVENUES

| Revenue Source | City of Palo Alto Revenue 1978-79 | | Estimated East Palo Alto Revenue 1978-79 | |
|---|---|------------|--|------------|
| | Total | Per Capita | Total | Per Capita |
| <u>LOCAL REVENUE SOURCES</u> | | | | |
| Property Tax | \$2,702,553 | \$48 | \$350,000 | \$19 |
| Sales Tax | 5,334,247 | 95 | 151,000 | 8 |
| Business License Tax | -0- | -0- | 23,500 | 1 |
| Utility Franchise Tax | -0- | -0- | 9,800 | 1 |
| Licenses and Permits ¹ | 1,118,586 | 20 | 40,000 | 2 |
| Fines and Penalties | 461,877 | 8 | 41,000 | 2 |
| Service Charges and Fees | | | 50,000 | 3 |
| Use of Money and Property | 1,742,037 | 31 | 50,000 | 3 |
| Property Transfer Tax | 99,898 | 2 | 31,000 | 2 |
| <u>STATE-SHARED REVENUE SOURCES</u> | | | | |
| Cigarette Tax | \$278,901 | \$ 5 | \$ 45,000 | \$ 3 |
| Alcoholic Beverage Taxes and Fees | 42,244 | .75 | 3,700 | -0- |
| Vehicle and Trailer in Lieu Fees | 898,262 | 16 | 191,000 | 11 |
| Gas Tax | 690,263 | 12 | 160,000 | 9 |
| <u>STATE AND FEDERAL GRANTS</u> | | | | |
| General Revenue Sharing | \$214,628 | \$4 | \$233,000 | \$13 |

¹ includes service charges and fees

Source: East Palo Alto Fiscal Analysis

On the expenditure side, current per capita expenditures in East Palo Alto differ substantially from Palo Alto. A comparison of expenditures for key municipal services is shown in Table 23. The substantial differences lie in expenditures in several areas. In general government, for example, Palo Alto per capita spends \$89. Only \$13 per capita is spent in East Palo Alto. Included in Palo Alto's general government expenditure, however, are building and equipment maintenance costs which accounts for about 34 percent of this expense. In the area of police protection, however, Palo Alto per capita spends \$65, whereas \$82 per capita is expended in East Palo Alto. The higher police cost in East Palo Alto shows that the demand for police service is higher in East Palo Alto than in Palo Alto.

Economies of scale are potentially available in other municipal services such as water, sewer, and other public utilities such as gas and electric. However, Table 24, shows that for the key municipal services listed this is the case only for police service where a \$52,000 cost savings could be realized. For all three key services an additional \$430,000 expenditure would be necessary if annexation to Palo Alto were the alternative selected and not incorporation.

TABLE 23

ANNEXATION TO PALO ALTO
PER CAPITA EXPENDITURES

| Expenditures for Key Municipal Services | City of Palo Alto 1978-79 | | East Palo Alto "Base Case" 1978-79 | |
|--|------------------------------|-----------------------------|--|------------|
| | Total | Per Capita (56,000 pop.) | Total | Per Capita |
| General Government ¹ | \$4,973,332 | \$89 | \$ 231,200 | \$13 |
| Police | 3,635,852 | 65 | 1,472,076 | 82 |
| Fire | 3,883,112 | 69 | 462,300 ² | 26 |
| Community Environment | 1,055,601 | 19 | 36,150 | 2 |
| Public Works | 2,988,815 | 53 | 814,464 | 45 |
| Parks and Recreation | 2,322,422 | 41 | 169,678 | 9 |
| Library | 1,073,243 | 19 | 158,276 | 9 |
| Water | 746,786 | 13 | 642,305 | 36 |
| Sanitary Sewer | 1,559,159 | 28 | 280,801 ³ | 16 |

¹*includes Building and Equipment Maintenance

² fire service provided by Menlo Park Fire Department

³**includes only East Palo Alto Sanitary District

TABLE 24

MARGINAL COSTS FOR EXTENDING
PALO ALTO MUNICIPAL SERVICES TO
EAST PALO ALTO

| Municipal Service | Estimated Cost Under East Palo Alto Incorporation Alternatives A & B | Estimated Cost of Palo Alto Extending Services to East Palo Alto |
|-----------------------|---|---|
| | | |
| General Government | \$ 330,000 | \$ 801,000 ¹ |
| Police | 1,222,300 | 1,170,000 ² |
| Community Environment | 162,000 | 171,000 ³ |
| TOTAL | \$1,714,300 | \$2,142,000 |

1. Assumes that the marginal cost of extending general government services to East Palo Alto would be fifty percent of the existing average per capita cost.

2. Assumes that the marginal cost of extending police services to East Palo Alto would equal the current average per capita cost of police service in Palo Alto, applied to East Palo Alto's estimated population (18,000).

3. Assumes that the marginal cost of extending planning and building inspection services to East Palo Alto would equal fifty per cent of the current average per capita cost of community development service in Palo Alto, applied to East Palo Alto's estimated population.

Source: East Palo Alto Fiscal Analysis

In the incorporation alternative it was assumed that fire and sanitary sewer service would continue to be provided by special districts. It is, therefore, not possible to compare the cost of these services with the marginal costs to Palo Alto if annexation were approved. A more fiscal complete analysis of this alternative will be presented in the sphere of influence study.

The capital improvements required in East Palo Alto to streets, drainage projects and the water system, could cause a problem for Palo Alto unless county responsibility were continued. The Fiscal Analysis estimates over \$22,000,000 worth of required improvements. It is assumed that similar to the incorporation alternatives, the County of San Mateo would complete most of these planned projects.

Mitigation Measures

- A. A realistic amount of property tax revenue should be negotiated and exchanged between the County of San Mateo, the affected special districts, and the City of Palo Alto under the provisions of AB 8.

- B. A sufficient Proposition 4 "appropriations limit transfer" should be exchanged between the County of San Mateo, the affected special districts, and the City of Palo Alto.
- C. Programs to encourage the enhancement of East Palo Alto tax base should be given high priority to attempt to offset the revenue/expenditure imbalance.
- D. Federal and State grants should be actively pursued by Palo Alto in light of the city's increased eligibility because of an increase in population.
- E. Any initial reduced level of service by Palo Alto to East Palo Alto brought about by any revenue/expenditure imbalance should be minimized.

5.4.6 IMPACT ON UTILITIES

Public utilities provided to Palo Alto include sewer, water, and gas and electric. The impact on these public utilities if annexation of all or part of East Palo Alto is the recommendation of LAFCo staff and if adopted by the Formation Commission, will be significant. Sewer and water service impacts have already been discussed in previous sections.

The City of Palo Alto operates its own municipal electric power utility. Since 1964 the city has bought all of its electricity from the Western Area Power Administration (WAPA) of the Department of Energy (DOE), under a contract which ends in the year 2004. Palo Alto used about 788 million kilowatt hours in 1978. WAPA's electricity is primarily hydroelectric and is cheaper

than if it were purchased from Pacific Gas & Electric Company (PG&E). Electric rates charged to residents of Palo Alto by the city are therefore cheaper than those charged to residents of neighboring cities by PG&E.

According to Palo Alto the impact of annexing East Palo Alto would be as follows:

"If East Palo Alto were annexed, Palo Alto would expect to purchase the gas and electric systems to incorporate them into Palo Alto's municipal systems. Palo Alto purchased the Barron Park systems for \$1 million. Since East Palo Alto's population is almost five times as large, the current cost would approach \$4 million, and the installation of feeder lines would add another \$1 million. Unanticipated repairs and improvements could add another \$1 million. Also, there is a need for additional street lighting in East Palo Alto (12 locations identified). The cost of installing lighting would be borne by the utility, which would be the City of Palo Alto, if annexed."

"In addition to the issue of capital costs, Palo Alto would have to seek new power sources since East Palo Alto would use nearly one-half of Palo Alto's future growth potential."

Palo Alto buys all of its gas on contract from PG&E. In recent years Palo Alto gas consumption has been about 30 to 40 million therms. Natural gas shortages in the mid-1970's foretold even greater shortages for the mid-1980's. East Palo Alto also is provided gas by PG&E. This situation should not change if annexation of East Palo Alto to Palo Alto occurs.

Palo Alto owns and operates a landfill for disposal of solid waste, commonly called refuse or garbage. Around 250 tons of solid waste are produced each day in Palo Alto. Most of this waste is collected by the Palo Alto Sanitation Company, with a large portion of the remainder delivered by city employees or

residents. Palo Alto's landfill is scheduled to close as soon as possible, but no later than 1998. It would be expected that Palo Alto would collect the refuse in East Palo Alto after annexation and dispose of it in the same manner.

Drainage service is provided to Palo Alto residents by the city's Public Works Department. The Department is responsible for maintaining all storm drain facilities, responding to flood complaints, investigating and cleaning clogged inlets or conduits and general clean-up and repair after storm damage. East Palo Alto is provided this service by the Palo Alto Gardens Drainage Maintenance District (PAGDMD) and the East Palo Alto Drainage Maintenance District (EPADMD). After annexation it would be expected that Palo Alto would provide this service to East Palo Alto.

Highway lighting is provided to Palo Alto residents by the city's Public Works Department. The Department is responsible for street lights and traffic control signals. All work, however, is performed by the Utilities Department. The Streets Division reimburses the Utilities Department for electrical energy and for maintenance and repair services.

Street lights to East Palo Alto are provided by the Ravenswood Highway Lighting District. This service would be assumed by Palo Alto if annexation of all or part of East Palo Alto were approved. Financing would be by benefit assessment charged to property owners.

Mitigation Measures

- A. New power purchase contracts should be negotiated with PG&E based on the increased territory and users.
- B. Utility services such as Drainage and Highway Lighting should be financed by benefit assessments.

5.4.7 IMPACT ON AESTHETICS

Again, the impact on aesthetics as they relate to the form of organization recommended in the sphere of influence study and adopted by the Commission, would be significant. From a community standpoint, aesthetics are very important to the character of both Palo Alto and East Palo Alto. East Palo Alto could definitely benefit from the attention of a mature and experienced city, such as Palo Alto. Therefore, the aesthetics of the community would be impacted.

5.4.8 IMPACT ON RECREATION

As previously explained in Section 4.4, city-owned park and recreational land totals approximately 3400 acres. Properties include mini-parks, neighborhood parks, district parks, and city-wide parks. East Palo Alto is deficient in neighborhood and community park; however, this deficiency is offset to some degree by many large convenient school sites and expansive bay-lands. However, both park area and range of recreational programs are not adequate in relation to national standards.

Annexation of all or part of East Palo Alto to Palo Alto would necessarily require the dissolution of the Ravenswood Recreation and Park District. Acquisition of additional park land in

East Palo Alto by Palo Alto would be problematic because of numerous competing demands for city purchase of vacant school sites for park land already in Palo Alto. Lack of available funds for such purchases has resulted in serious consideration of a ballot issue on adding a utility user tax to pay for parks and recreation in Palo Alto.

Mitigation Measures

- A. Ensure an active recreation and park acquisition program in East Palo Alto that serves community needs, yet compliments current programs and priorities in the rest of the city.

5.4.9 MANDATORY FINDINGS OF SIGNIFICANCE

The impact of annexation of all or part of East Palo Alto to Palo Alto on the achievement of short-term goals to the disadvantage of long-term goals is apparent. Per capita revenues will decrease and per capita expenditures will increase. The short-term advantages would be the extension of services by an established city with a very healthy and adequate tax base, supported by high property values and a high level of retail sales.

The long-term impact would hopefully be an East Palo Alto community that would benefit from being part of an affluent and progressive city that has historically provided a high level of municipal service to its residents. Additionally, by enhancing the tax base in East Palo Alto the long-term impact

could be that the community would produce adequate revenue to cover the added costs to Palo Alto, and hence not be a drain on the revenue base of the existing city.

6. UNAVOIDABLE ADVERSE IMPACTS

Unavoidable adverse impacts are defined as those adverse environmental impacts which cannot be totally eliminated by available mitigation measures. The key issues in identifying unavoidable adverse impacts is the application of proposed mitigation measures. Unavoidable adverse impacts for each of the four organizational alternatives for the East Palo Alto community, to be considered in the sphere of influence study, are presented below. It should be noted that the Formation Commission, at public hearing, may select one of these four alternatives. The ultimate selection of only one of these alternatives will eliminate the unavoidable adverse impacts of the other three alternatives.

6.1 STATUS QUO

- A. The continued isolation of the East Palo Alto community from neighboring communities.
- B. The continued need for housing stock maintenance and rehabilitation in East Palo Alto.
- C. A probable University Avenue access to the Dumbarton Bridge would divide the East Palo Alto community.
- D. A need for road construction and reconstruction, in addition to the County's CIP.
- E. A probable continued high crime rate, relatively high rate of fires and medical emergencies.
- F. Further deterioration of the water distribution system.
- G. Further deterioration of the sanitary sewer lines.
- H. An increasing revenue subsidy for municipal services provided to East Palo Alto.

- I. A short-term advantage by ignoring the complex problem associated with East Palo Alto to the disadvantage of long-term environmental goals.

6.2 INCORPORATION

- A. The further isolation of the East Palo Alto community from neighboring communities.
- B. Decrease in quantity and quality of housing stock in favor of commercial/industrial development to enhance the tax base.
- C. A probable University Avenue and partial Industrial Park Dumbarton Bridge access would divide the community and infuse heavy vehicular traffic into residential neighborhoods.
- D. A need for road construction and reconstruction in addition to the completed County CIP.
- E. A probable decrease in the level of police service and a continued high crime rate, and a high level of fires and medical emergencies.
- F. Further deterioration of the water distribution system.
- G. Further deterioration of the sanitary sewer lines.
- H. A substantial revenue shortfall over the five year projection period. Exclusion of the West of Bayshore area would result in an even greater revenue shortfall.
- I. A probable decrease in the level of overall municipal service to offset the estimated revenue/expenditure deficit.
- J. The achievement of a short-term advantage, i.e., self-governance, to the disadvantage of long-term environmental goals, i.e., continued revenue subsidies.

6.3 ANNEXATION OF ALL OR PART OF EAST PALO ALTO TO MENLO PARK

- A. A dilution of Menlo Park's per capita revenues.
- b. A substantial increase in the demand for certain municipal services provided by Menlo Park.

6.4 ANNEXATION OF ALL OR PART OF EAST PALO ALTO TO PALO ALTO

- A. A substantial dilution of Palo Alto's per capita revenues.
- B. A substantial increase in the demand for certain municipal services provided by Palo Alto.
- C. A substantial increase in the demand for certain services, now provided by San Mateo County, that after annexation to Palo Alto would be assumed by Santa Clara County.

7. GROWTH INDUCING IMPACTS OF THE PROJECT

When discussing ways in which the project could foster economic or population growth, either directly or indirectly, again it is important to note that the Formation Commission will select only one of the four proposed alternatives. The ultimate selection of only one alternative will obviously eliminate any of the potential growth inducing impacts of the other three alternatives.

7.1 STATUS QUO

Under this alternative the policies adopted by the County Planning Commission and the East Palo Alto community in the East Palo Alto Community Plan would prevail. Status quo is not regarded by LAFCo staff as being significantly growth inducing.

7.2 INCORPORATION

Under this alternative again, the policies adopted in the East Palo Alto Community Plan would be used as a basis for present and future development. The incorporated City of East Palo Alto would initially attempt to develop its tax base by means of commercial and industrial development. This type of development is not considered by LAFCo staff to be significant growth inducing with regards to population; however, it could foster economic growth. The degree of economic growth would largely depend on specific development plans.

It is also entirely possible, under this alternative, that because of the serious jobs/housing imbalance in the Mid-Peninsula,

demands from property owners, and pressures from neighboring communities, that residential development may receive high priority. This would lead to significant growth inducing impacts with regards to population.

7.3 ANNEXATION OF ALL OR PART OF EAST PALO ALTO TO MENLO PARK

Under this alternative, the policies adopted in the East Palo Alto Community Plan would also be used as a basis for present and future development, either directly or by amendments to Menlo Park's Comprehensive Plan. The significant difference in this alternative with regards to growth is the recognized jobs/housing imbalance in the Mid-Peninsula. It is highly probable that Menlo Park could perceive the East Palo Alto community as a place to provide much needed housing for the employees of local companies. Therefore, adoption of this alternative by the Formation Commission could contribute significantly to area population growth, and also serve to significantly alleviate the jobs/housing imbalance in Menlo Park.

7.4 ANNEXATION OF ALL OR PART OF EAST PALO ALTO TO PALO ALTO

LAFCo staff perceives the growth inducing impact of this alternative by the Formation Commission as very similar to the adoption of 7.3. Annexation of All or Part of East Palo Alto to Menlo Park. Similarly to Menlo Park, Palo Alto for the past several years has experienced a severe jobs/housing imbalance. Annexation of all or part of East Palo Alto could be viewed by Palo Alto as an excellent opportunity to provide needed housing for the employees of local companies. Therefore, adoption of this alternative by the Formation Commission could contribute

significantly to area population growth, and also serve to significantly alleviate the jobs/housing imbalance in Palo Alto.

8. ORGANIZATIONS AND PERSONS CONTACTED

San Mateo County

County Manager's Office

Jay Gellert, Deputy County Manager

County Clerk's Office

Marvin Church, County Clerk

District Attorney's Office

Dan Daly, Assistant District Attorney

Environmental Management

Paul Koenig, Director

Planning Division

David Hale, Director

Roman Gankin, Development Review Manager

Marion Boat, Senior Urban Planning Economist

James Sweeney, Planner II

Ernest Vovakis, Planner II

Deborah Nelson, Planner III

Terry Burnes, Senior Planner

Housing and Community Development Division

Mark Nelson, Director

Maurice Dawson, Program Administrator

Public Works

Sidney Cantwell, Director

Sheriff

McDonald Craik, Assistant Sheriff

Santa Clara County

County Executive's Office

William Siegel, County Executive

Santa Clara LAFCo

Paul Sagers, Assistant LAFCo Executive Officer,
Administrative Manager

Alan LaFleur, Senior Management Analyst

City of Menlo Park

City Manager's Office

Michael Bedwell, City Manager

Community Development

Leon Pirofalo, Director

Al Morales, Senior Planner

Finance

Molly Holsinger, Director

Police

Gerald McNamara, Chief

Recreation

Mary Leydon, Director

City of Palo Alto

City Manager's Office

George Sipel, City Manager

Planning and Community Development

Naphtali Knox, Director

Robert Brown, Planner

East Palo Alto Municipal Advisory Council

Kenneth Goode, Administrative Officer

Gordon Shriver, Management Analyst

Lawrence Tong, Planner

Bradford Stamper, Chairman

Henry Anthony, Councilmember

Berkley Driessel, Councilmember

Barbara Mouton, Councilmember

Gertrude Wilks, Councilmember

East Palo Alto County Waterworks District

Edward Barnes, Senior County Engineer

East Palo Alto Sanitary District

Clarence Hynes, Secretary

Menlo Park Fire Protection District

Vincent Del Pozzo, Chief

Menlo Park Sanitary District

Steven Ford, Manager

Sten Mawson, Engineer

Ravenswood Recreation and Park District

Henry Anthony, Superintendent

Mid-Peninsula Regional Open Space District

Nanette Hanko, Board Member

Harry Turner, Board Member

Other Persons Consulted

Angus McDonald, Angus McDonald and Associates, Inc.

Walter Keiser, Angus McDonald and Associates, Inc.

Howard Van Jepmond, Woodland Area Residential Property
Owners Association (WARPO)

Louis Smith, Woodland Area Residential Property
Owners Association (WARPO)

Frances Price, Woodland Area Residential Property
Owners Association (WARPO)

Omowale Satterwhite, Convenor, East Palo Alto Citizens
Committee on Incorporation (EPACCI)

Jim Johnson, East Palo Alto Contractors Association

Thomas Kavanaugh, Property Owner

9. LIST OF DOCUMENTS CONSULTED

"ABAG Projections 79," Association of Bay Area Governments, January 1980.

"Affordable Housing," Division of Housing and Community Development, and Human Services Coordinating Council, San Mateo County, June 1979.

"An Analysis of the Fiscal Feasibility of Forming a General Law City in East Yolo," East Yolo Local Government Reorganization Committee, February 1979.

"An Analysis of Portions of the San Mateo-Santa Clara County Boundary," San Mateo Local Agency Formation Commission, July 1975.

"Amendments to CEQA," 1978, 1979, 1980.

"Avenal Incorporation Negative Declaration," Kings County Local Agency Formation Commission, February 1980.

"CEQA Guidelines," Adopted by San Mateo Local Agency Formation Commission 1975, Revised Through 1977.

"CEQA Guidelines," Prepared by San Mateo County Department of Environmental Management, Planning Division, April 1978.

"Delivery of Expanded Governmental Services to the Grand Terrace Area San Bernardino County, California," Public Administration Service, December 1977.

"Dumbarton Bridge Technical Report: Draft," Dumbarton Bridge Technical Group, April 1980.

"Environmental Assessment of the Proposed East Yolo Area Incorporation," Williams, Platzek and Mocine, December 1979.

"East Palo Alto Annexation Study," San Mateo Local Agency Formation Commission, January 1967.

"East Palo Alto Community Planning Program Working Papers: Preliminary Draft," San Mateo County Department of Environmental Management, Planning and Development Division, June 1980.

Framework for Planning
Population and Housing
Employment and Economic Development
Land Use
Transportation
Parks and Schools
Public Facilities
Environmental Quality

"East Palo Alto Fiscal Analysis," Angus-McDonald and Associates, Inc. in Association with John Warren and Associates, Prepared for the Association of Bay Area Governments in Cooperation with the East Palo Alto Municipal Council, October 1979.

"East Palo Alto Fiscal Analysis: Staff Analysis," Kenneth Goode, East Palo Alto Municipal Council Administrative Officer, January 1980.

"Grand Terrace Reorganization Proposal," San Bernardino Local Agency Formation Commission, February 1978.

"Grand Terrace Sewer System EIR," Albert A. Webb Associates, April 1975.

"Menlo Park Budget, 1978-79," City of Menlo Park.

"Menlo Park Comprehensive Plan, Towards 2000," Department of Community Development, Menlo Park, October 1974.

"Palo Alto Budget, 1978-79," City of Palo Alto.

"Palo Alto Comprehensive Plan 1977-1990," City of Palo Alto, November 1976.

"Palo Alto Resource Management Plan," City of Palo Alto, April 1979.

"Poway Governmental Reorganization Proposal," County of San Diego, Department of Planning and Land Use, 1979.

"Preliminary East Palo Alto Community Profile," San Mateo County Department of Environmental Management, Planning and Development Division, August 1980.

"Proposed Incorporation of East Los Angeles Feasibility Study," James F. Hays and Associates, June 1973.

"Reorganization of the Community of Atascadero," San Luis Obispo Local Agency Formation Commission, January 1979.

"Report of the Atascadero Incorporation Study Group," San Luis Obispo Local Agency Formation Commission, August 1978.

"San Mateo County Final 1978-79 Budget," County of San Mateo.

"Santee Incorporation Negative Declaration," County of San Diego, 1979.

"Santee Governmental Reorganization Proposal," County of San Diego, Department of Planning and Land Use, 1979.

"Solvang Incorporation EIR," Office of Environmental Quality, County of Santa Barbara, November 1975.

"Study on Governmental Reorganization in the Community of Paradise," Butte County Local Agency Formation Commission, May 1979.

"Study on Governmental Reorganization in the Community of Paradise: Draft Focused Environmental Impact Report," Butte County Local Agency Formation Commission, May 1979.

"The Fiscal Future of California," John Rehfuss and Anne Cowden, California State University, Sacramento, May 1980.

"United States Census, 1970."

"Zone of Influence Study," City of Menlo Park, December 1967.

APPENDIX A

SAN MATEO LOCAL AGENCY FORMATION COMMISSION

Environmental Evaluation Checklist

I. Background

1. Name of Proposal & LAFCo File No. Sphere of Influence Study for Menlo Park/East Palo Alto and Menlo Park Sanitary, Menlo Park Fire Protection, County Service Area #5, Ravenswood Recreation and Park, and East Palo Alto County Waterworks Dist.
2. Name, Address and Phone number of Applicant N/A
3. Indicate applicant's interest in subject territory:
 - A. Registered voter _____
 - B. Landowner _____
 - C. Other interest (specify) LAFCo

II. Environmental Impacts

(Explanations of all "yes" and "maybe" answers are required on attached sheets.)

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|---|------------|--------------|-----------|
| 1. <u>Earth</u> . Will the proposal result in: | | | |
| a. Unstable earth conditions or in changes in geologic substructures? | _____ | _____ | <u>X</u> |
| b. Disruptions, displacements, compaction or overcovering of the soil? | _____ | _____ | <u>X</u> |
| c. Change in topography or ground surface relief features? | _____ | _____ | <u>X</u> |
| d. The destruction, covering or modification of any unique geologic or physical features? | _____ | _____ | <u>X</u> |
| e. Any increase in wind or water erosion of soils, either on or off the site? | _____ | _____ | <u>X</u> |
| f. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet or lake? | _____ | _____ | <u>X</u> |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|---|------------|--------------|-----------|
| g. Exposure of people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards? | _____ | _____ | <u>X</u> |
| 2. <u>Air</u> . Will the proposal result in: | | | |
| a. Substantial air emissions or deterioration of ambient air quality? | _____ | _____ | <u>X</u> |
| b. The creation of objectionable odors? | _____ | _____ | <u>X</u> |
| c. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally? | _____ | _____ | <u>X</u> |
| 3. <u>Water</u> . Will the proposal result in: | | | |
| a. Changes in currents, or the course or direction of water movements, in either marine or fresh waters? | _____ | _____ | <u>X</u> |
| b. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? | _____ | _____ | <u>X</u> |
| c. Alterations to the course or flow of flood waters? | _____ | _____ | <u>X</u> |
| d. Change in the amount of surface water in any water body? | _____ | _____ | <u>X</u> |
| e. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity? | _____ | _____ | <u>X</u> |
| f. Alteration of the direction or rate of flow of ground waters? | _____ | _____ | <u>X</u> |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|---|------------|--------------|-----------|
| g. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations? | _____ | _____ | <u>X</u> |
| h. Substantial reduction in the amount of water otherwise available for public water supplies? | _____ | _____ | <u>X</u> |
| i. Exposure of people or property to water related hazards such as flooding or tidal waves? | _____ | _____ | <u>X</u> |
| 4. <u>Plant Life</u> . Will the proposal result in: | | | |
| a. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, microflora and aquatic plants) | _____ | _____ | <u>X</u> |
| b. Reduction of the numbers of any unique, rare or endangered species of plants? | _____ | _____ | <u>X</u> |
| c. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? | _____ | _____ | <u>X</u> |
| d. Reduction in acreage of any agricultural crop? | _____ | _____ | <u>X</u> |
| 5. <u>Animal Life</u> . Will the proposal result in: | | | |
| a. Change in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, insects or microfauna)? | _____ | _____ | <u>X</u> |
| b. Reduction of the numbers of any unique, rare or endangered species of animals? | _____ | _____ | <u>X</u> |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|--|------------|--------------|-----------|
| c. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? | _____ | _____ | <u>X</u> |
| d. Deterioration to existing fish or wildlife habitat? | _____ | _____ | <u>X</u> |
| 6. <u>Noise</u> . Will the proposal result in: | | | |
| a. Increases in existing noise levels? | _____ | _____ | <u>X</u> |
| b. Exposure of people to severe noise levels? | _____ | _____ | <u>X</u> |
| 7. <u>Light and Glare</u> . Will the proposal produce new light or glare? | _____ | _____ | <u>X</u> |
| 8. <u>Land Use</u> . Will the proposal result in a substantial alteration of the present or planned land use of an area? | _____ | _____ | <u>X</u> |
| 9. <u>Natural Resources</u> . Will the proposal result in: | | | |
| a. Increase in the rate of use of any natural resources? | _____ | _____ | <u>X</u> |
| b. Substantial depletion of any non-renewable natural resource? | _____ | _____ | <u>X</u> |
| 10. <u>Risk of Upset</u> . Does the proposal involve a risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals or radiation) in the event of an accident or upset conditions? | _____ | _____ | <u>X</u> |
| 11. <u>Population</u> . Will the proposal alter the location, distribution, density or growth rate of the human population of an area? | <u>X</u> | _____ | _____ |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|---|---------------|---------------|---------------|
| 12. <u>Housing</u> . Will the proposal affect existing housing, or create a demand for additional housing? West of Bayshore | <u>X</u> | <u> </u> | <u> </u> |
| 13. <u>Transportation/Circulation</u> . Will the proposal result in: | | | |
| a. Generation of substantial additional vehicular movement? | <u> </u> | <u>X</u> | <u> </u> |
| b. Effects on existing parking facilities, or demand for new parking? | <u> </u> | <u>X</u> | <u> </u> |
| c. Substantial impact upon existing transportation systems? | <u> </u> | <u> </u> | <u>X</u> |
| d. Alterations to present patterns of circulation or movement of people and/or goods? | <u> </u> | <u>X</u> | <u> </u> |
| e. Alterations to waterborne, rail or air traffic? | <u> </u> | <u> </u> | <u>X</u> |
| f. Increase in traffic hazards to motor vehicles, bicyclists or pedestrians? | <u> </u> | <u> </u> | <u>X</u> |
| 14. <u>Public Services</u> . Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas: | | | |
| a. Fire protection? | <u> </u> | <u>X</u> | <u> </u> |
| b. Police protection? | <u>X</u> | <u> </u> | <u> </u> |
| c. Water? | <u>X</u> | <u> </u> | <u> </u> |
| d. Sewer? | <u> </u> | <u>X</u> | <u> </u> |
| e. Schools? | <u>X</u> | <u> </u> | <u> </u> |
| f. Parks or other recreational facilities? | <u>X</u> | <u> </u> | <u> </u> |
| g. Maintenance of public facilities, including roads? | <u>X</u> | <u> </u> | <u> </u> |
| h. Other governmental services? | <u>X</u> | <u> </u> | <u> </u> |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|--|---------------|---------------|---------------|
| 15. <u>Fiscal Effect.</u> Will the proposal effect the financing of public services. | <u>X</u> | <u> </u> | <u> </u> |
| 16. <u>Energy.</u> Will the proposal result in: | | | |
| a. Use of substantial amounts of fuel or energy? | <u> </u> | <u> </u> | <u>X</u> |
| b. Substantial increase in demand upon existing sources of energy, or require the development of new sources of energy? | <u> </u> | <u> </u> | <u>X</u> |
| 17. <u>Utilities.</u> Will the proposal result in a need for new systems, or substantial alterations to the following utilities: | | | |
| a. Power or natural gas? | <u> </u> | <u>X</u> | <u> </u> |
| b. Communications systems? | <u> </u> | <u>X</u> | <u> </u> |
| c. Water? | <u>X</u> | <u> </u> | <u> </u> |
| d. Sewer or septic tanks? | <u> </u> | <u>X</u> | <u> </u> |
| e. Storm water drainage? | <u> </u> | <u>X</u> | <u> </u> |
| f. Solid waste and disposal? | <u> </u> | <u>X</u> | <u> </u> |
| 18. <u>Human Health.</u> Will the proposal result in: | | | |
| a. Creation of any health hazard or potential health hazard (excluding mental health)? | <u> </u> | <u> </u> | <u>X</u> |
| b. Exposure of people to potential health hazards? | <u> </u> | <u> </u> | <u>X</u> |
| 19. <u>Aesthetics.</u> Will the proposal result in the obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view? | <u>X</u> | <u> </u> | <u> </u> |
| 20. <u>Recreation.</u> Will the proposal result in an impact upon the quality or quantity of existing recreational opportunities? | <u>X</u> | <u> </u> | <u> </u> |

| | <u>YES</u> | <u>MAYBE</u> | <u>NO</u> |
|---|------------|--------------|-----------|
| 21. <u>Archeological/Historical</u> . Will the proposal result in an alteration of a significant archeological or historical site, structure, object or building? | _____ | _____ | <u>X</u> |
| 22. <u>Mandatory Findings of Significance</u> . | | | |
| a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or pre-history? | _____ | _____ | <u>X</u> |
| b. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals? (A short-term impact on the environment is one which occurs in a relatively brief, definitive period of time while long-term impacts will endure well into the future.) | <u>X</u> | _____ | _____ |
| c. Does the project have impacts which are individually limited, but cumulatively considerable? (A project may impact on two or more separate resources where the impact on each resource is relatively small, but where the effect of the total of those impacts on the environment is significant.) | _____ | _____ | <u>X</u> |
| d. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | <u>X</u> | _____ | _____ |

BY: Paul L. Hood
(LAFCo staff)

Findings:

 Emergency project - exempt

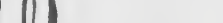
Categorically exempt. Class _____

I find the proposed project could not have a significant effect on the environment and a Negative Declaration will be prepared.

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described (see attached sheet) have been added to the project. A Negative Declaration will be prepared.

XXX I find the proposed project may have a significant effect on the environment, and an Environmental Impact Report is required.

Date March 10, 1980


B. SHERMAN COFFMAN
Executive Officer, San Mateo
Local Agency Formation Commission

APPENDIX B

GENERAL POLICIES AND CRITERIA FOR THE
DEVELOPMENT AND DETERMINATION OF
SPHERES OF INFLUENCE

ADOPTED

September 18, 1974

REVISED

June 18, 1975

San Mateo Local Agency Formation Commission

I
AUTHORITY

1. The Knox-Nisbet Act (Government Code, Section 54774) includes the following: "Among the purposes of a local agency formation commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances. One of the objects of the local agency formation commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governmental agencies so as to advantageously provide for the present and future needs of each county and its communities." ...
2. "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the local agency formation commission shall develop and determine the sphere of influence of each local governmental agency within the county. As used in this section "sphere of influence" means a plan for the probable ultimate physical boundaries and service area of a local governmental agency. Among the factors considered in determining the sphere of influence of each local governmental agency, the commission shall consider:
 - a. The maximum possible service area of the agency based upon present and possible service capabilities of the agency.
 - b. The range of services the agency is providing or could provide.
 - c. The projected future population growth of the area.
 - d. The type of development occurring or planned for the area, including, but not limited to, residential, commercial, and industrial development.

- e. The present and probable future service needs of the area.
 - f. Local governmental agencies presently providing services to such area and the present level, range and adequacy of services provided by such existing local governmental agencies.
 - g. The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agency's sphere of influence.
 - h. The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of influence of a local governmental agency."
3. "The Commission shall periodically review and update the spheres of influence developed and determined by them."
 4. "The spheres of influence, after adoption, shall be used by the commission as a factor in making regular decisions on proposals over which it has jurisdiction. The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for such recommendations...."

II

DEFINITIONS

1. County: San Mateo County.
2. Essential Services: Those basic services necessary to protect the health, safety, and general well-being of a community, including but not limited to police, fire, water, sanitation, etc.
3. General Purpose Government: A city or county government.
4. LAFCo: San Mateo Local Agency Formation Commission.
5. Local Agency: A city or a special district.
6. Regional Agencies: Association of Bay Area Governments, Central Coast Regional Coastal Zone Conservation Commission, etc.
7. Sphere of Influence: A plan for the probable ultimate physical boundaries and service area of a local agency.
8. Urban Services: Those services which are provided to an urban area including, but not limited to, essential services.

9. Urbanization: The individual or cumulative development causing a rural, less populated area, to change into a more densely populated urban area: See Urbanized Areas.
10. Urbanized Areas:
- a. Incorporated areas of 2,500 inhabitants or more as enumerated in the most recent census.
 - b. Incorporated areas of less than 2,500 inhabitants which form a contiguous boundary with incorporated areas of at least 25,000 inhabitants or which share a boundary with other incorporated areas which do have a contiguous boundary with municipalities of at least 25,000 inhabitants.
 - c. An unincorporated area of 400 or more inhabitants, or a chain of unincorporated areas in a closely settled area, which are adjacent to an incorporated place of at least 4,000 inhabitants shall be considered urban.
 - d. Unincorporated enclaves within an area defined as urban shall also be classified as urban.
11. Agricultural Preserve: An area as defined in subdivision [d] of Section 51201 of the Government Code.

III

GENERAL

1. It is the intent of LAFCo to support the viability of local governmental agencies providing essential services. Local agencies should be so constituted and organized as to best provide for the economic and social needs of the county and its communities, efficient governmental services for orderly land use development, and controls required to conserve environmental resources. The public interest will be served by considering "resources" in a broad sense to include ecological factors, such as open space, wild life and agricultural productivity, in addition to the commonly accepted elements of land, water and air. LAFCo intends for its sphere of influence plans to serve as a master plan for the future organization of local government within this metropolitan county.
2. It is an intention of LAFCo to use spheres of influence as a tool to discourage urban sprawl as well as to encourage the orderly changes of organization of local government agencies.

Adopted 9/18/74
Revised 6/18/75

including annexations, consolidations, formations and reorganizations. LAFCo recognizes the inter-relationship of spheres of influence, annexations and other changes of organization, market values for land, and pressures for the premature development of undeveloped land. For example, annexation to a local agency of territory outside that agency's sphere of influence will inevitably increase property values and assessments of similarly-situated territory, thus artificially creating pressures for premature development.

3. LAFCo recognizes the limited usefulness of long-term projections. The accuracy of projections decreases with an increasing number of years from the date of the projection. Consequently, the spheres of influence adopted by LAFCo delineate limits for probable future growth within the next twenty years as reflected in the general plans of the various cities and the county.
4. Once established, a sphere of influence shall be a declaration of policy which shall be a primary guide to LAFCo in the determination of any proposal concerning incorporated cities or special districts and territory adjacent thereto. Any such sphere of influence may be amended from time to time and its application in any particular case shall depend upon its applicability under the precise facts of that particular case. If LAFCo approves a change of organization inconsistent with the adopted sphere of influence of a local agency, LAFCo shall amend the sphere of influence of that local agency at the time of approval.
5. LAFCo discourages the proliferation of local governmental agencies and the existence of overlapping public service responsibilities. The formation of new special districts within existing city or special district spheres of influence is to be discouraged.
6. It is the intent of LAFCo to encourage the rationalization of local government through the elimination or consolidation of small, single-purpose districts. Wherever the full range of urban services is required, general-purpose governments are preferred to special districts for the provision of services.
7. LAFCo recognizes that some political boundaries may be artificial, dividing what may, in fact, be a single community or communities. Existing local government agencies are encouraged to investigate the feasibility of political and functional consolidation in implementation of LAFCo spheres of influence determinations.

8. An existing local agency may be allocated a zero sphere of influence which encompasses no territory. Such may be the case where LAFCo determines after due consideration of all factors that the public service responsibilities and functions of one local agency should be re-allocated to some other unit of government and that, ultimately, the local agency which has been assigned a "zero sphere of influence" should cease to exist.
9. LAFCo recognizes that there may be significant inter-dependency among service decisions and other aspects of policy determination. In urban areas requiring the full range of urban services, services should be provided and decisions made by a single, general purpose government rather than by overlapping local agencies. All lands for new subdivision or industrial development having a limited geographic impact and which are within a designated city sphere of influence should be annexed to the city prior to development.
10. Existing, highly urbanized, unincorporated areas with special financial and social problems may be the subject for a special designation of "lands under study" until such time as a final decision may be reached as to how the area should be provided urban services.
11. All areas within the county not included within a city sphere of influence should not be subject to urbanization until such time as a complete study can be made by the appropriate planning and administrative departments of the county, adjacent cities and LAFCo.
12. Areas designated for open space, recreation, or the preservation of the natural or land resources (i.e., agricultural preserves) within the county by regional agencies, the county or local agencies and not assigned to the sphere of influence of a local agency shall not be considered eligible for an extension of an urban level of services.
13. The San Mateo Local Agency Formation Commission shall adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose. At least 15 days prior to the date of any such hearing, the Executive Officer shall give mailed notice of hearing to each affected local agency and the County, and to any interested party who has filed a written request for such notice with the Executive Officer. In addition, at least 15 days prior to the date of any such hearing,

the Executive Officer shall cause notice of the hearing to be published in a newspaper of general circulation which is circulated within the territory affected by the sphere of influence proposed to be adopted.

LAFCo may continue from time to time any sphere of influence hearing. At any sphere of influence hearing, LAFCo shall hear and consider oral or written testimony presented by any affected local agency, the County, or any interested person who wishes to appear.

14. All previously adopted standards for evaluation of spheres of influence are hereby repealed.

IV

ALLOCATION OF TERRITORY TO CITY SPHERES OF INFLUENCE

1. Among the factors to be considered by LAFCo in determining spheres of influence are those more fully enumerated in Section 54774 of the Knox-Nisbet Act.
2. Before assignment of an unincorporated urbanized area to a city is made, the city should be able to demonstrate that they have the financial capabilities to adequately provide the necessary urban services (i.e., police, fire, water, sanitary, recreation, and storm drainage, etc.); or that the required services are already being provided by private companies or larger multi-purpose special districts.
3. LAFCo will consider which city will naturally or most likely inherit and can best cope with the problems resulting from urbanization. Among those problems LAFCo may consider the following factors:
 - a. The source of automobile, bus and truck traffic causing congestion.
 - b. Impacts of residential, commercial, and industrial noise and artificial lighting.
 - c. Methods available for the preservation and development of a stable economic, social and ethnic balance.
 - d. Methods available to the local agency which can provide a broad base for citizen participation.
 - e. Policies and practices of the local agency which can provide for the preservation and development of a balance between residential, commercial, industrial, agricultural and open space land uses.
 - f. Topographic factors.

4. Consideration should be given to the effect of the growth of the city and the extension of urban services on the county government structure as well as adjacent single and multiple purpose districts, and the adjacent cities.
5. Consideration should be given to the existence of agricultural preserves and open space lands in the area and the effect of the growth of the city and the extension of urban services on or adjacent to existing open space lands, agricultural lands and agricultural preserves. Such consideration shall include but not be limited to the physical and economic impacts on such lands and the ability of maintaining the viability and economic integrity of lands in an agricultural preserve.
6. Ultimate city boundaries should not create islands or corridors unless these areas are designated or reserved for open space or regional facilities which are best left unincorporated.
7. An analysis should be made of the need for the established community, city and special district services; the present cost and adequacy of governmental services; probable future needs for such services; probable effect of the immediate and long range development within the proposed sphere of influence.
8. Consideration should be given to alternate courses of action for providing urban governmental services, and to their fiscal and economic consequences.
9. Studies should be made of population, population density and proximity to other populated areas; land use and land area; per capita assessed valuation; and per capita income.
10. Publicly owned properties, other than city facilities, which require urban services such as police and fire protection (convention centers, airports, race tracks, regional parks) should be analyzed on an individual basis before they are included or excluded from the corporate limits of a city. If the facility is to be included, consideration should be given to alternatives in which the public agency owning the property can pay the subject city an equitable sum in lieu of taxes to offset the cost of the urban services.
11. The intent of each city's rezoning policies and plans should be reviewed as to how they relate to the areas designated as open space by a regional agency or the County General Plan. LAFCo should call attention to inconsistencies among city, county, and regional general plans and strive to get the affected jurisdictions to reconcile the differences.

V

ALLOCATION OF TERRITORY TO
SPECIAL DISTRICT SPHERES OF INFLUENCE

1. Among the factors to be considered by LAFCo in determining spheres of influence are those more fully enumerated in Section 54774 of the Knox-Nisbet Act.
2. Before assignment is made, the district should be able to demonstrate that they have the financial capabilities to adequately provide its specific service.
3. LAFCo will consider which district will naturally or most likely inherit and can best cope with the problems resulting from present and projected land uses. Among those problems LAFCo may consider the following factors:
 - a. The source of automobile, bus and truck traffic causing congestion.
 - b. Impacts of residential, commercial, and industrial noise and artificial lighting.
 - c. Methods available for the preservation and development of a stable economic, social and ethnic balance.
 - d. Methods available to the local agency which can provide a broad base for citizen participation.
 - e. Policies and practices of the local agency which can provide for the preservation and development of a balance between residential, commercial, industrial and open space land uses.
 - f. Topographic factors.
4. Consideration should be given to the effect of the growth of the district and the extension of services on the County government structure as well as adjacent single and multiple purpose districts and the adjacent overlapping cities.
5. Ultimate district boundaries should not create islands or corridors unless these areas are designated or reserved for

open space or regional facilities which are best left without the provision of services.

6. An analysis should be made of the need for the established community, city, and special district services; the present cost and adequacy of governmental services; probable future needs for such services; probable effect of the immediate and long range development within the proposed sphere of influence.
7. Consideration should be given to alternate courses of action for providing urban governmental services, and to their fiscal and economic consequences.
8. Studies should be made of population, population density and proximity to other populated areas; land use and land area; per capita assessed valuation; and per capita income.
9. Publicly owned properties, other than city facilities, which require urban services such as police and fire protection (convention centers, airports, race tracks, urban parks) should be analyzed on an individual basis before they are included or excluded from the corporate limits of a special district. If the facility is to be included, consideration should be given to alternatives in which the public agency owning the property can pay the subject district an equitable sum in lieu of taxes to offset the cost of the urban services.
10. The intent of each special district's plans for extending services should be reviewed as to how they relate to each city's rezoning policies and plans and the areas designated as open space by a regional agency or the County General Plan, and each city's General Plan. LAFCo should call attention to inconsistencies between city, county, regional General Plans and special district plans and strive to get the affected jurisdictions to reconcile the differences.
11. Special districts are the appropriate agencies to provide essential services in areas in which only a limited range of services is required or, if a full range of urban services is required and where it is not feasible for those services to be provided by a single city.

12. Where a special district is coterminous with, or lies substantially within, the boundary or sphere of influence of a general purpose government which is capable of assuming the public service responsibilities and functions of that special district, the special district may be allocated a designation of a zero influence which encompasses no territory.
13. Where it is feasible, cities should be encouraged to expand the types of services which they can provide if no multi-city single-purpose or multi-purpose special district is available.
14. Where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a consolidated sphere of influence to include the areas served by both districts. This would be the case where LAFCo believes that the particular service should be provided to the entire area by a single local agency.
15. The provision of essential services to multi-city areas may be a role for special districts within urban areas if the affected cities are unable to make contractual arrangements for the similar provision of services by a single, service-vending city or the county. Where such services are or could be available from a single, service-vending city or the county, a special district may be allocated a zero sphere of influence encompassing no territory.
16. Where two or more single-purpose special districts provide services to substantially the same area, they may be allocated zero spheres of influence encompassing no territory. This would indicate the belief of LAFCo that the existing districts should merge with an existing city or cities, or that they consolidate into a single, multi-purpose special district. The provision of services by multi-purpose local agencies is to be preferred over the provision of those services by overlapping, single-purpose special districts.
17. Non-essential services should not be provided by special districts unless there is no other mechanism for the provision of those services. Rather, the responsibility for the provision of those services should belong solely to a general-purpose government which has a mandate to weigh priorities of competing uses for tax revenues.

VI

URBAN SERVICE AREAS

1. Urban Service Areas. Spheres of influence adopted by LAFCo delineate limits for probable future growth within the next twenty years as reflected in the general plans of the various cities and the county. In order to avoid urban sprawl within a sphere of influence, urban growth within a sphere of influence should be compact, thereby preserving future land use options. Within each city sphere of influence, an urban service area boundary shall be designated by LAFCo. Urban service areas consist of territory now served by urban facilities, utilities and service agencies, or capable of receiving such services within the next five years, and include the following:
 - a. Urbanized Areas. This includes all existing areas, either incorporated or unincorporated, developed to urban densities.
 - b. Urban Expansion Areas. This consists of vacant land, either incorporated or unincorporated, which is capable of holding urban growth expected within the next five years.

The territory included within urban service areas will be considered by LAFCo to be eligible for annexation to receive urban services within five years. Consideration will be given to city and special district willingness to provide needed services with related time schedules for planned expansion of services within specified time increments. Consideration will be given evidence that a city or special district has or will have the resource capability beyond its own internal needs to provide service within an urban expansion area. Cities and special districts are encouraged to develop Capital Improvement Programs and other plans for the phased extension of services to assist LAFCo in determining logical urban service area boundaries.

2. Urban Transition Areas. Transition areas consist of the residual lands between designated urban service areas and the ultimate sphere of influence boundary. This land will most likely be used for urban expansion within approximately five to fifteen years. LAFCo disfavors and seeks to discourage pressures for the premature, sprawling development of land within urban transition areas. Therefore, territory included within urban transition areas, but not within urban service areas generally, will not be considered eligible for annexation to receive urban services within five years.

APPENDIX C

PROCEDURES FOR ALTERATION OF COUNTY BOUNDARIES

Two procedures for the alteration of county boundaries presently exist. The most recent procedure is set forth in Section 23230 - 23296 of the Government Code. It is a rather involved procedure which includes, after the circulation of a petition requiring the signatures of at least 25 percent of the registered voters within the county, the creation of a county boundary review commission with its membership appointed by the Governor. Although this alternative is cumbersome, it would most likely be used in cases where significant county boundary alterations were proposed. LAFCo staff is of the opinion that changing the county boundary to include East Palo Alto in Santa Clara County would be a significant alteration. This procedure would therefore be applicable.

The other procedure for altering a county boundary is outlined in Sections 23200 - 23225 of the Government Code. These procedures apply for effecting a minor county boundary alteration. To initiate proceedings it would be necessary that a petition be prepared, presented and filed with both the Boards of Supervisors of San Mateo County and Santa Clara County. Each petition must be signed by at least 25 qualified electors of the respective county. The limitations on the alteration of county boundaries are specified in Section 23201 and are as follows:

"Any existing boundary line between counties shall not be changed, altered or re-formed so as to cause:

"(a) the line to pass within 5 miles of the county seat of the county from which territory is taken except with the consent of 4/5 majority of the Board of Supervisors of each county affected by such change.

"(b) the line to be moved a distance in excess of 5 miles from its original location.

"(c) a reduction by more than 5% in the area of the county from which territory is taken.

"(d) a reduction by more than 3% in the population of the county affected."

In addition to the above limitations and requirements, the petitions requesting an alteration of county boundary lines must contain the written consent of at least 50 percent of all the owners of land within the territory proposed to be transferred. Upon meeting these requirements, each Board of Supervisors has the authority and discretion to grant or deny the request of the petition proposing the transfer of territory. To be successful, both counties must approve the alterations of boundaries. If the petition is granted by each of the two Boards, they would so indicate by ordinance and so certify and file with the Secretary of State.

APPENDIX D

ENVIRONMENTAL CHARACTERISTICS OF THE PROJECT AREA

East Palo Alto is located in the southeast corner of San Mateo County and encompasses an area of approximately 1,665 acres. The majority of the area under study is predominantly urbanized and surrounded by other urbanized areas and the San Francisco Bay to the east.

THE NATURAL ENVIRONMENT

Although East Palo Alto is almost fully developed, the community contains several areas of significant natural resource value. They include the bayfront, the San Francisquito Creek which forms part of East Palo Alto's southern border, and the floricultural lands in the southeastern portion. Several potential natural hazards are also present, including earthquakes, tsunamis, and flooding. Each of these will be discussed, focusing on resource value, existing management policies, and future policy options.

Bayfront Lands

A significant environmental resource in East Palo Alto are the bayfront lands, lying to the east of the developed area, between Cooley's landing and the mouth of the San Francisquito Creek. Known as the Faber and Laumiester Tracts, these lands comprise some 233 acres and are owned by the City of Palo Alto. According to a recent study by the U.S. Fish and Wildlife Service and the California Department of Fish and Game, these lands are classified

as low salt marsh, which generally contain cordgrass and pickleweed with a substrate of silt, clay and possibly sand. This habitat is considered, according to the same report, as the most productive habitat type in California, producing an estimated five tons of organic matter per acre per year. This material flows into adjacent waters and provides a food base for estuarine organisms. In addition, this habitat supports the endangered species, salt marsh harvest mouse and California clapper rail. Much of the salt marsh area once found around San Francisco Bay has been converted to other uses such as salt ponds, so protection of remaining salt marshes is a high priority among environmental organizations.

Public policies regarding these bayfront lands are found in a number of organizations. The Bay Conservation and Development Commission exercises permit authority over any proposed development. Zoning control rests with the County, and the present classification, Resource Management, contains stringent criteria for protecting such areas. One provision of the RM ordinance prohibits filling or dredging of tidal marshes or any significant reduction of primary habitat areas. Moreover, the City of Palo Alto, the landowner, has designated the area as "marshland preserve" and limits public access. Both the County, in its Parks and Recreation element, and the Regional Planning Committee (RPC), consisting of representatives of the city and county governments in San Mateo County, have proposed a linked system of bayfront trails and recreational facilities along the bayfront.

In August, 1979, the RPC proposed a bayfront planning program, which would integrate present plans and form a composite guide for use of the bayfront lands. However, this program has not been funded to date. East Palo Alto's bayfront represents a valuable natural resource, both in terms of its ecological benefit and as a scenic asset.

Stream Corridor

The San Francisquito Creek forms the southern border of East Palo Alto from Euclid Avenue, west of University Avenue, to the bay. With its surrounding growth of vegetation, the stream provides a green belt, providing visual relief from the surrounding urbanization.

Agricultural Lands

Approximately 46 acres of land in the former Weeks Poultry Colony are now designated as agricultural preserve under the Williamson Act (California Land Conservation Act of 1965). These lands, converted to flower-growing after World War II, have been exempted from a major portion of their property taxes in return for being maintained in agricultural use. These lands are shown in Appendix Exhibit 1. Other portions of East Palo Alto are also used for flower-growing, but are not under Williamson Act land conservation contracts. Some flower-growing areas have already been converted to residential uses. Because these areas are generally located in the interior of large blocks, special design problems arise in their development. The goals of the Williamson Act included protection of prime agricultural soils, definition of urban growth boundaries, and preservation of open space areas. There is some question about the continuing economic viability of these floricultural operations.

Appendix Exhibit 1

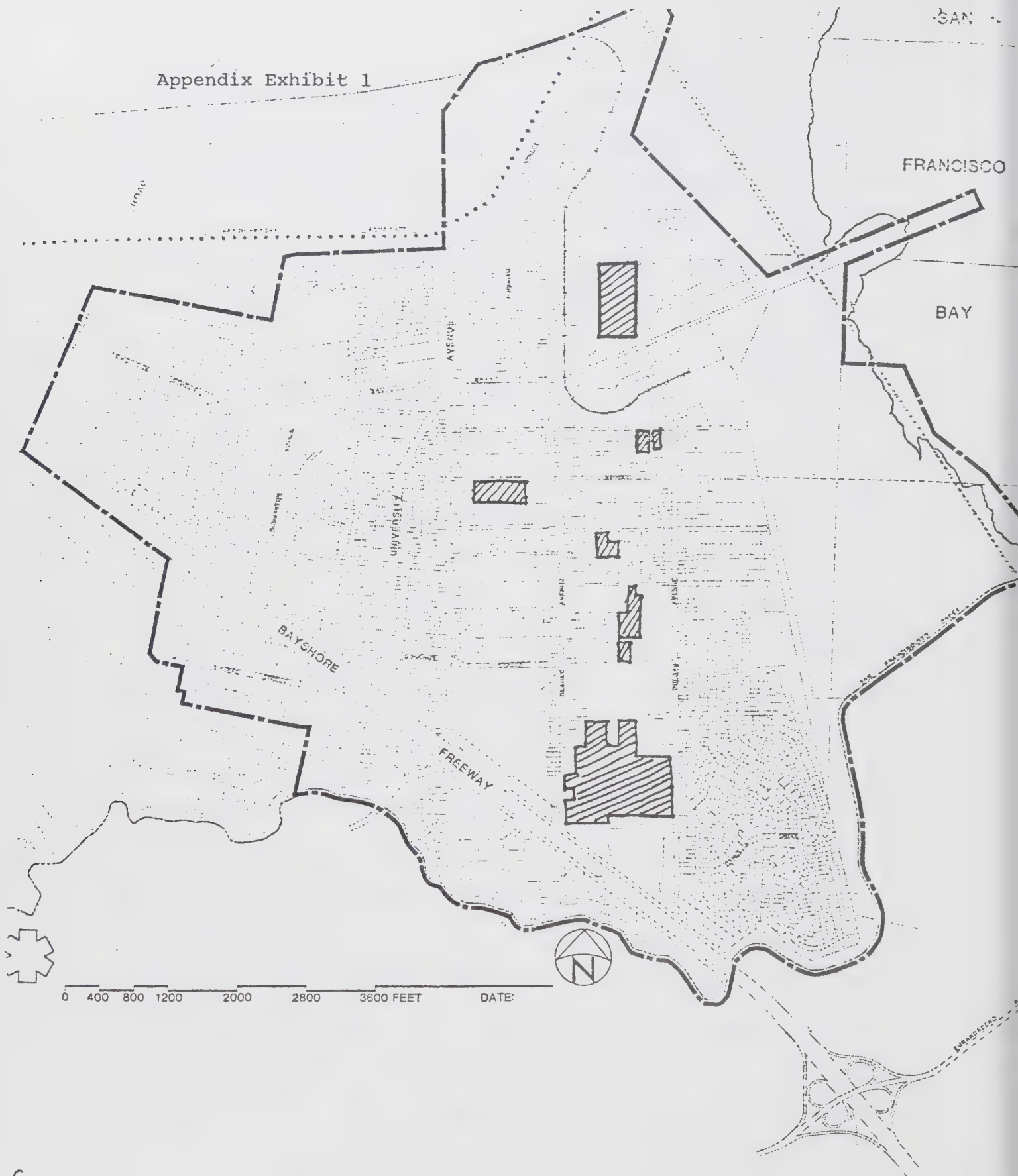


Figure 1. Williamson Act Preserves

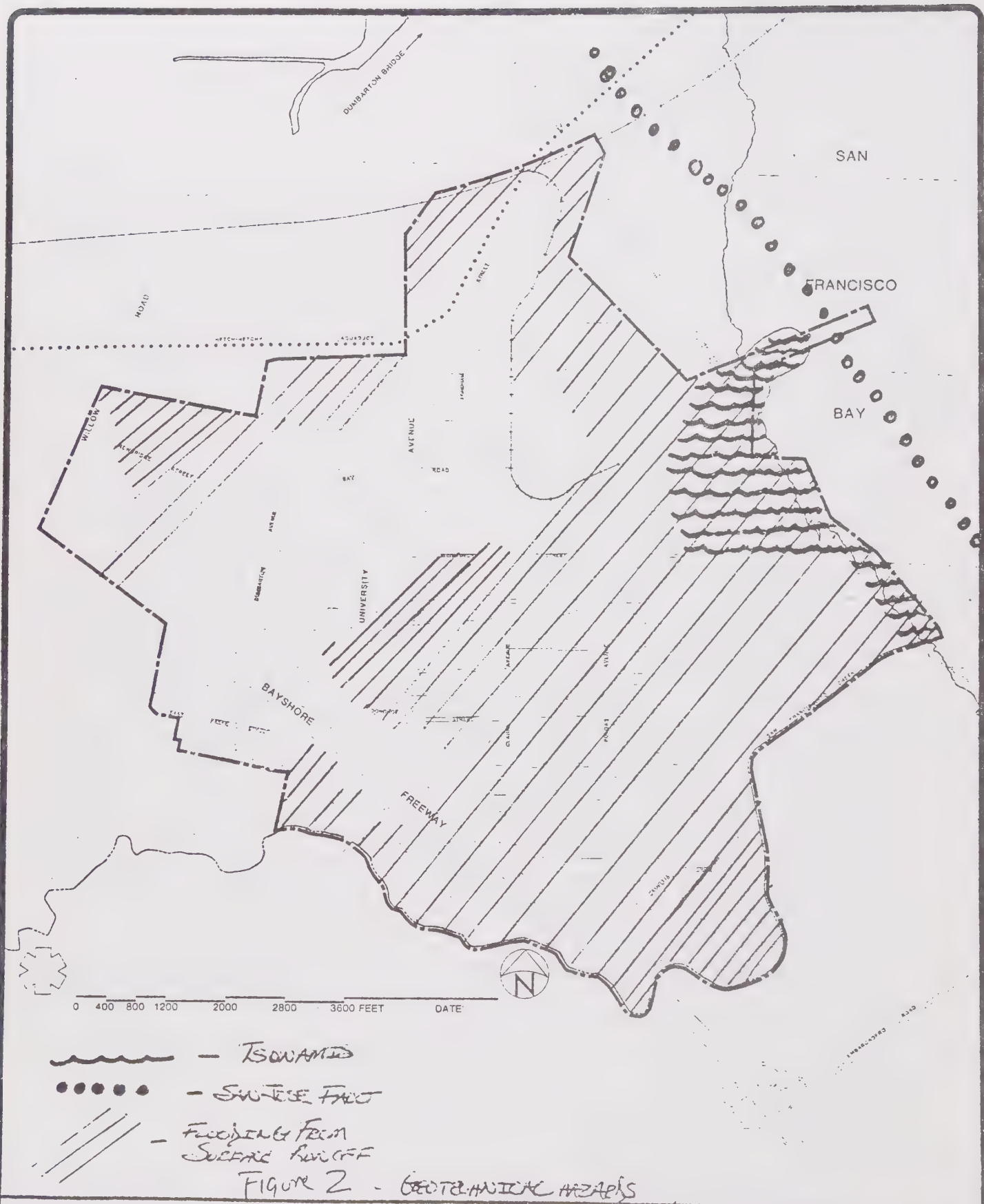
Natural Hazards

Major geotechnical issues within East Palo Alto are ground shaking, liquifaction potential, and inundation from tsunamis and dam failure. Flooding is also a hazard East Palo Alto can expect in the event of a 100-year storm. (See Appendix Exhibit 2).

In the event of strong ground shaking, shear wave amplification may be intensified, due to the nature of underlying sediments, with resulting damage to chimneys, masonry and brickwork, foundations, and retaining walls. Lurching of buildings may occur where weak foundations are present. East Palo Alto is underlain by saturated alluvial sediments, which may contain clean, saturated sand lenses. Where this occurs, the liquefaction potential may be moderate to high. It is most likely to occur in the easterly portion of the Palo Alto Gardens subdivision and the Faber Tract. Additionally, the dikes surrounding East Palo Alto may fail if underlain by liquefiable sand lenses.

The potential for tsunami (tidal wave) inundation is limited to the Faber Tract and Cooley Landing. The dikes which separate these areas from the developed portions of East Palo Alto are not expected to be overtopped, in any event. Inundation may also occur from rupture of the Searsville Lake dam.

The potential for severe flooding is significant. The high tides, combined with heavy surficial run-off (affecting both San Francisquito Creek and the baylands) create the potential for inundation in both the eastern and western portions of the community.



Safety issues in East Palo Alto relate to access to the community. In the event of an earthquake, the freeway structures which provide access could be damaged or destroyed, necessitating the creation of emergency access. Until such crossings are installed, provision of emergency medical care and/or rescue units would be possible only by helicopter. Fire and police protection would be unaffected, since there is both a fire station and a sheriff's substation within the community. Access across the Dumbarton Bridge would, in all probability, also be damaged or destroyed.

Structural hazards are chiefly associated with buildings constructed prior to 1948, especially those few buildings which are not woodframe construction. The commercial greenhouses in East Palo Alto can also be expected to suffer heavy damage in the event of an earthquake.

Urban fire hazards and the potential for the release of noxious fumes is associated with the industrial portions of East Palo Alto, where chemicals are both manufactured and utilized in various processes.

THE MAN-MADE ENVIRONMENT

The history of an area, its visual appearance, the use of landscaping and other design elements are all important attributes of environmental quality. This section will review significant man-made resources in East Palo Alto and suggest appropriate policy options.

Cultural Resources

Although Ravenswood, in the vicinity of Cooley's Landing, was the first area platted in San Mateo County, no structures have survived from that era. The only historic item identified in East Palo Alto in a recent survey by the county planning department is a marker from the 1853 Geodetic Survey near Jack Farrell Park.

Extensive evidence of prehistoric activity has been uncovered during earlier excavation or trenching activities in East Palo Alto. Human burial sites and various types of implements have been found at several locations, suggesting the presence of Native American settlements in the area.

Community Appearance

The visual quality of an area is related to such natural features as vegetation, topography, water bodies and to the size, style, and positioning of buildings and structures. East Palo Alto may be characterized as a post-war suburban community with one and two-story homes amid ample mature vegetation on a flat terrain. Many of the residential streets lack curbs and sidewalks and are short in length or curvilinear, as in University Village and Palo Alto Gardens. Long, straight avenues, such as Pulgas, Clarke, and Cooley, are found in the Weeks Poultry Colony area. Commercial development exists along Bayshore Avenue, University Avenue, and Willow Road. The intersection of Bay Road and University Avenue is a major focal point, or node, of the community, being the site of the municipal center and other government buildings and the now-vacant shopping center. Another node is the commercial area West of Bayshore Freeway on University Avenue. Industrial buildings

and auto wrecking yards are found along Bay Road, East of Clarke Avenue approaching Cooley's Landing. A prominent visual feature is the openness of the bayfront lands and water lying beyond, although the levee obstructs this view at close range. Visual problem areas, in addition to the auto wrecking yards, include poorly maintained property, such as the shopping center and some vacant homes, litter, and junked cars.

The overall visual appearance of the community has been improving in recent years with the increase in property values, the construction of buildings such as Runnymede Gardens apartments and the municipal center, and the improvement of Bay Road, currently underway. A beautification program has been implemented by the Economic Development Council, including planting of street trees and placement of waste receptacles along University Avenue (West of Bayshore Freeway). The Board of Supervisors established a Design Review district for East Palo Alto in March, 1979 and the municipal council planner serves as design review administrator. These measures recognize that community appearance is more than a luxury; it is vital to future economic development. Continued emphasis is needed in beautification programs, litter control, removal of abandoned automobiles, and screening of the salvage yards. In combination with design review over new development, these measures would substantially enhance the visual appearance of East Palo Alto.

Noise

Noise is defined as "loud, discordant or disagreeable sound", or simply as "unwanted sound". Whether a particular sound is considered "noise" depends upon the judgment of the listener. A

loud phonograph may be pleasant to the listener, but an intolerable nuisance to a neighbor trying to sleep.

Noise levels to which most people are exposed have increased substantially in recent years. Noise, along with other forms of pollution, is a by-product of our society. It is also a highly underestimated form of pollution, tolerated by many as the "price of progress". Many of the products of modern technology, particularly various transportation modes, contribute significantly to noise pollution.

Excessive noise levels can be annoying and actually dangerous to health. Even at relatively low levels, noise can interfere with speech, sleep, and mental concentration. At higher levels, noise can cause ringing in the ears, psychological stress, headaches, and other effects. Persons exposed to high levels of noise for prolonged periods can suffer physical damage or permanent loss of hearing.

Recognizing this problem, the California legislature has established the following policy: "All Californians are entitled to a peaceful and quiet environment without the intrusion of noise, which may be hazardous to their health and welfare ... It is the policy of the State to provide an environment for all Californians free from noise that jeopardizes their health or welfare." As part of its effort to implement this policy, the legislature passed a law requiring a noise element as part of every city and county general plan.

The major source of noise in East Palo Alto is the Bayshore Freeway. Major thoroughfares, such as University Avenue, Bay Road, and Willow are also noise generators, but of a lessor

magnitude. Noise is measured in CNEL*. Other noise generators are the auto wrecking yards, trains on the Southern Pacific Dumbarton line, and occasional general aviation aircraft flyovers. Construction noise related to such projects as the Bay Road improvement, industrial development in adjacent Menlo Park, and the upcoming improvement of Willow Road is a temporary but annoying source of noise. Noise levels along University Avenue may be expected to increase with increased traffic volumes when it becomes an approach to the new Dumbarton Bridge.

The Noise Element of the San Mateo County General Plan establishes a review procedure to ensure that proposed development is compatible with projected noise levels. Generally, a CNEL of 60 or less is considered normally acceptable for residential uses. An acoustical report is required for any new residential development in areas with a CNEL greater than 60. Interior noise should not exceed 45 CNEL. Similar ranges of acceptable and unacceptable noise levels are set forth for other land use categories. The environmental review process offers a procedure for addressing noise impacts of projects not subject to local development permits.

*CNEL - Community Noise Equivalent Level - a measure of noise levels at a particular location, that averages intermittent sources of noise, such as overflying airplanes, and counts evening and night-time events at a greater weight.

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